State of Washington

Performance Report

Capital Project Fund:

Second Annual Report

July 2024



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Executive summary

A stable broadband infrastructure provides equitable distance learning opportunities, drives job creation, promotes innovation, improves economic vitality, expands health care access and develops new markets for Washington state businesses. It is critical to meeting the growing needs of our education, public health, commerce, public safety and transportation systems.

Access to reliable broadband is a fundamental governmental function and public benefit to all residents of Washington. In 2019, Governor Jay Inslee signed <u>Senate Bill 5511 (Chapter 365, Laws of 2019)</u>, which created the <u>Washington State Broadband Office</u> (WSBO) to bring affordable and fast broadband service to unserved and underserved areas in the state.

Less than a year later, Washington was the first state in the nation to confront COVID-19. The pandemic laid bare the consequences of the digital divide across Washington, such as the following:

- Without a good internet connection, students could not participate in online learning, contributing to more significant learning loss than students with reliable online services.
- Workers living in areas with inadequate broadband could not work remotely, making them more likely to take jobs performed outside of the home. Unfortunately, working outside of the home increased the risk of contracting COVID-19.
- Lack of high-speed internet access contributed to health disparities by preventing people from participating in online healthcare and behavioral health services.
- Digitally excluded people had a harder time maintaining social connections while quarantining.
 This sudden loss of social connectedness increased mental health symptoms for many individuals.
- When using cell phones, digitally excluded communities had higher dropped-call rates when contacting emergency services and suicide prevention services.
- Washington businesses in areas with inadequate broadband could not transition to online service delivery to stay competitive in their respective markets, resulting in more revenue loss and higher closure rates.
- Communities with limited digital connectivity could not access pandemic relief services (such as cash and food benefits) as quickly as communities with adequate broadband, exacerbating the overall economic impact on marginalized populations.

These trends were experienced nationwide, and Washington was no exception. The federal government addressed COVID-19 impacts by enacting groundbreaking congressional legislation, including funding for broadband.

Before the pandemic, the federal government provided limited funding for high-speed broadband. In 2015, only seven federal agencies funded broadband infrastructure, adoption, access, planning, and research. The COVID-19 pandemic and the disproportional impacts of inadequate broadband services drove record federal investments to address the nation's digital divide.

The investments started with the Coronavirus Aid, Relief, and Economic Security Act that was signed into law in March 2020. The act created the Coronavirus Relief Fund, allocating \$150 billion to state, local and tribal governments navigating the impacts of the COVID-19 outbreak, including broadband access. In March 2021, the American Rescue Plan Act included \$350 billion in Coronavirus State and Local Fiscal Recovery Funds for state, local and tribal governments to continue navigating the impacts of the virus, including internet access and broadband infrastructure projects.

The act also dedicated \$10 billion in Capital Project Funds (CPF) to states, territories and tribal governments specifically for digital literacy and capital broadband investments. Later that year, the Infrastructure Investment and Jobs Act (IIJA) created the new <u>Broadband Equity</u>, <u>Access</u>, <u>and Deployment (BEAD) Program</u> with an appropriation of over \$42 billion in grants to states, territories and the District of Columbia.

The last federal broadband data survey found over 236,000 Washington homes, businesses and community anchor institutions (like schools, hospitals, libraries and government buildings) to be unserved or underserved.² These findings were based on lower speed metrics than we have today, so this number is likely too low. Washington's diverse geology, which includes 20 mountains (five stratovolcanoes), 157 miles of ocean coastline, four rainforests, and desert regions in the east, presents many challenges to broadband construction. But now, with the help of federal investments, Washington state is leading the way toward digital equity.

This performance report focuses on the **\$195,749,000 CPF** award made to Washington in June 2022. It provides updated implementation information and demonstrates how CPF is helping our state overcome barriers to bringing affordable high-speed internet to historically marginalized communities.

¹ Broadband fed funding guide 2015.pdf (doc.gov)

² Broadband Data Collection | Federal Communications Commission (fcc.gov)

Broadband funding updates

The <u>2023 CPF Performance Report</u> provides prior appropriations for broadband during the pandemic. Broadband funding has increased since the previous report. The National Telecommunications and Information Administration awarded Washington \$1.23 billion from BEAD. These funds must be spent over the next five years.

In 2024, our state Legislature appropriated additional funding toward broadband expansion in the 2023–25 biennium for a total investment of roughly **\$780 million.** Investments include various fund sources, predominantly federal funding. Figure 1 breaks down Washington's current broadband appropriations by funding source.

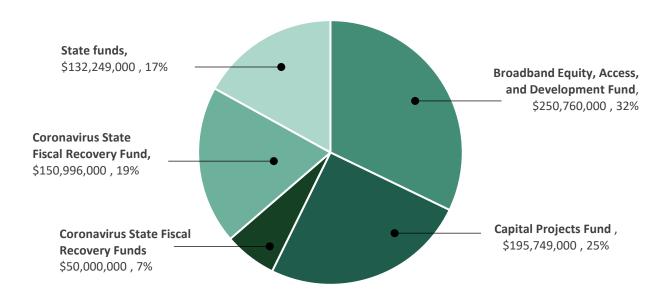


Figure 1: State of Washington broadband appropriations since July 2021

Of the \$780 million noted above, the state appropriated \$195,749,000 CPF for universal broadband during the 2022 state legislative session for three grant projects. The U.S. Treasury approved the CPF project plans on June 23, 2023. Less than a year later, Washington's total expenditures equal \$23,609,064 CPF (13% of the total award). This total represents cumulative expenditures through May 2024.

Capital Project Fund performance outcomes

Washington's CPF projects comply with federal program eligibility requirements and include additional state requirements codified in <u>Chapter 296</u>, <u>Laws of 2022</u>. The three projects focus on households and businesses without broadband or with broadband connections that do not meet minimally acceptable speeds. Our statewide broadband survey provides live baseline data for current access and speed information by geographical location. <u>Survey data</u> is available on WSBO's website.

The Federal Communications Commission (FCC) sets the bar for minimally acceptable broadband speeds. Since the last CPF performance report, the FCC raised the minimum broadband speed benchmark (in March 2024) from 25 megabits per second (Mbps) download speeds and 3 Mbps upload speeds (25/3 Mbps) to 100 Mbps for downloading and 20 Mbps for uploading (100/20 Mbps).³

Fortunately, Washington set minimally acceptable speeds for two CPF projects at 100/20 Mbps from the start and only for exceptional circumstances (such as federally <u>Designated Difficult Development Areas</u>). In these cases, the design must be scalable to meet growing demand and future minimum speed benchmarks. The third project exceeds the updated FCC definition by requiring symmetrical speeds (both download and upload speeds) at a minimum of 1 gigabit (1G/1G).

Speed requirements are one of many differences between the CPF projects. These differences help the projects address unique challenges in bringing affordable broadband to unserved and underserved locations across the state. In addition to multiple geological challenges, Washington experiences other construction challenges, such as extreme weather, floods, wildfires and landslides. As Washington is home to 29 federally recognized Tribes with land rights, right-of-way authorizations may be required to build towers and broadband corridors through sovereign tribal lands.

See the 2023 report for more details about each project's eligibility, goals and challenges.

The information below, organized by project, summarizes the most significant project advances and outcomes made over the last year.

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³ DOCS.FCC Increases Broadband Speed Benchmarks-401205A1.pdf (fcc.gov)

Competitive grants by the Washington State Broadband Office

The state appropriated \$124,749,000 CPF to the WSBO for competitive broadband grants to public entities. Public entities are federally recognized Tribes and local governments, including <u>port districts</u> and <u>public utility districts</u> (PUD). The WSBO is the only entity providing CPF awards to electrical cooperatives (private nonprofit companies), often a community's only local light and power resource.

Originally, WSBO estimated administrative costs at \$6.2 million CPF, 5% of the total appropriation. In 2024, WSBO reduced the estimate to \$1.9 million CPF, 2% of the total appropriation. The update provides an additional \$4.3 million CPF for WSBO to put toward construction. To date, **19 grantees** have received CPF awards totaling over **\$121.5 million CPF**.

Eight of the 19 grantees will bring broadband to a **distressed area**. A distressed area is defined as follows:

- A rural county with a population density of fewer than 100 persons per square mile
- A rural county that is geographically smaller than 225 square miles
- Indian country as defined by WAC 458-20-192
- Counties with a three-year unemployment rate greater than or equal to the statewide unemployment rate (currently averaging 5.4%).

To reduce financial barriers for these historically marginalized communities, WSBO waived the minimum 10% cash match requirement for grantees in distressed areas. In total, distressed areas will receive \$60.2 million CPF. This includes one award for services on a <u>federally recognized Indian reservation</u>. The remaining eleven awards total \$61.3 million CPF, with a total cash match of \$9.5 million (an average match of 15%).

To date, WSBO has spent \$4,157,252 CPF. Of that amount, \$127,513 went toward managing the competitive grant process. Four grantees started construction in the spring of 2024, and WSBO expects another eight grantees to break ground this year. Grantees have until October 31, 2026, to complete projects and report required CPF expenditures and data to the WSBO.

The WSBO grants will construct three towers and deploy 876 miles of fiber optic broadband cables to complete an estimated 13,222 high-speed internet connections – most of which will service homes and businesses that do not currently meet the 2024 FCC minimally acceptable speed benchmark. Of the total new connections, 11,649 will serve homes, 1,425 will serve businesses, and 148 will serve community anchor institutions.

Partnering with electrical co-operatives allows the San Juan Islands and the Methow Valley of Okanagan County to expand broadband to currently unserved customers. The San Juan Islands, accessible only by ferry, will gain 1,050 new connections. Several rural communities within the Methow Valley, home to 120 miles of groomed, cross-country ski trails, will receive 1,482 new connections.

Project highlight: Bringing broadband to the Channeled Scablands

With its high elevations and expansive flatlands, much of Franklin County experiences 17 hours of sunlight during summer days, ripening fruit with lush flavors and providing the acidity needed to maintain freshness. This region is home to 45 grape vineyards within the White Bluffs American Viticultural Area and 157 apple, sweet cherry, and pear orchards. Post-pandemic, agriculture remains a significant employment sector, though the work is highly seasonal and crop production can be volatile from year to year. With a three-year average unemployment rate of 6.1%, it qualifies as a distressed area.⁴

However, Franklin County is not all lush farmlands. Deep coulees and steep canyons form the eastern foothills of the basaltic Blue Ridge Mountains in Franklin County. The rugged terrain and barren rock formations make up a desert known as the <u>Channeled Scablands</u>. This remote area includes the City of Connell (population 5,441) and the unincorporated community of Basin City (population 1,063).

The scablands challenge broadband construction. Several modalities of broadband infrastructure must be integrated to overcome the region's difficult topography. To bring affordable broadband to the two cities, over 306,000 miles of cables must be installed using three design methods. While standard shallow trenches will suffice for 175,000 feet of cable, over 56,000 feet of cable must be laid underground through boring, and 75,000 feet of cable require aerial installation. The three modalities must be interlaced repeatedly to traverse the Channeled Scablands.

The WSBO awarded the PUD of Franklin County **\$4,854,610 CPF** to do just that. It is the first public assistance broadband grant that Franklin County has received to date.

According to the 2020 United States Census, roughly 41% of City of Connell residents identify as Hispanic, and roughly 85% of Basin City residents identify as Hispanic. The census also shows that 1,019 residents do not have health care coverage and that both cities have higher poverty rates than the state average. Randy Hayden, Executive Director of the Port of Pasco, illustrates just how much the grant means to his remote neighbors:

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⁵ <u>Data.census.gov Resources</u>

"As a majority Hispanic county with incomes well under the state median, the extension of broadband is seen as a key tool to provide equity in economic opportunities for our residents and businesses. The expansion will reach the underserved communities of Connell and Basin City with 1,375 new fiber connections to improve public safety, telehealth accessibility, economic diversity, and education and digital equity... By funding this project, WSBO is investing in a partner with a proven track record of successful open-access broadband and reaching a disproportionately underserved segment of our population."

Upon completion of the project, the City of Connell and Basin City residents will gain access to affordable high-speed internet. This includes approximately 1,064 homes and 35 businesses in the City of Connell and approximately 261 homes and 15 businesses in Basin City. Residential services will cost less than \$40 a month, and businesses will pay less than \$100 monthly. Discounts will be offered to low-income customers, elderly customers and customers with a disability.

Introducing affordable high-speed internet to these remote communities will expand their horizons by bringing telemedicine to the communities, reducing social isolation and introducing new job and education opportunities.

Rural broadband grants by the Community Economic Revitalization Board

The state appropriated \$25,000,000 CPF to the <u>Community Economic Revitalization Board (CERB)</u> for grants to local governments and federally recognized Tribes. It prioritizes broadband projects that promote private business growth to unserved and underserved communities in rural areas. The awards require symmetrical broadband speeds at a minimum of 1G/1G.

• Originally, CERB reported an estimated administrative cost of \$1.8 million CPF, 7% of the total appropriation. In 2024, CERB reduced the estimate to \$375,000, 2% of the total appropriation. The update provides another \$1.4 million CPF for construction.

The CERB projects are the furthest along, and many awards are at or near completion. CERB provided extensive outreach, coordination and technical assistance to help local governments and Tribes prepare grant applications. Upfront support proved to shorten the time between planning and breaking ground.

 Being furthest along, CERB has experienced the impact of supply chain shortages and cost increases from unforeseen record inflationary rates for labor, transportation and raw materials.
 Grants were originally awarded based on 2022 cost estimates and material delivery timelines, which did not account for soaring prices. By reducing administrative costs, CERB transferred \$1.4 million CPF to mitigate construction cost overruns. **Fourteen grantees** have received CPF awards to date, totaling over **\$23.5 million** in grants. The grantees provided a cash match of \$15.7 million, far exceeding the project's minimum cash match requirement of 15%. Once again, investing in upfront coordination efforts and technical support paid off for CERB.

To date, CERB has spent \$11,331,448 CPF, of which \$30,051 went toward administration costs. Twelve grantees have started construction, four are nearly complete, and another four are over 50% complete. Two grantees plan to break ground this calendar year. Grantees have until October 31, 2026, to complete projects and report required CPF expenditures and data to the CERB.

- CERB will provide 34 communities with over 230 miles of fiber optic broadband cables, making an estimated 7,026 broadband connections at a minimum speed of 1G/1G. Of the total new connections, 6,575 will serve homes, 381 will serve businesses, and 70 will serve anchor institutions. Connections of at least 1G/1G help CERB support private business growth and economic development.
- Tribal governments received grants to deploy 41.5 miles of cable through two federally recognized Indian reservations. The grants total \$4 million CPF and will be matched with \$3.6 million in other funds provided by the Tribes. Approximately 2,150 new high-speed connections will serve 2,091 homes, 32 businesses, and 27 community anchor institutions.

Project highlight: Bringing broadband to communities devastated by wildfires

- Wide, rolling prairies make up the fertile region known as Whitman County. Before the pandemic, its agricultural industry produced more barley, wheat, dry peas and lentils than any other county in the country. The region is also fraught with seasonal wildfires.
- Once a flourishing rural community of Whitman County, Elberton had over 500 residents before
 wildfires leveled it. Fires burned down the sawmill, flour mill, grain siloes, homes and railroad
 station. By the 1960s, Whitman County had no choice but to disincorporate Elberton and
 reclassify it as a ghost town. Today, it's a haunting reminder that entire communities can be
 wiped out by wildfires.
- Just 30 miles north of the ghost town sit the rural communities of Malden and Pine City (population <300). On Labor Day 2020, wildfires destroyed 85% of the homes and buildings in the two towns, including the city hall, post office, library, gas station, Masonic Lodge, firehouse and a 102-year-old covered wooden bridge. Over 120 homes were burned to their foundations.

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⁶ Heart of Washington 2019 (archive.org)

- Before the fire, Malden and Pine City had a poverty rate of 12.4%, and people commuted an average of 40 minutes.⁷ After the fire, residents were forced to grapple with a familiar question: whether to move on or stay and rebuild. After securing support from donations, emergency management services and state/federal funds, Malden and Pine City residents chose to stay. Not only did they decide to rebuild, but they chose to revitalize their community by reinvigorating their economy.
- The communities' revitalization plan hinges on securing a new and improved broadband
 infrastructure that can provide top-speed internet services for telework, online learning and
 business innovation. The CERB approved an award of \$1,734,921 CPF to the Port of Whitman
 County to bring high-speed broadband to Malden and Pine City.

To date, 28 miles of cables have been deployed, and construction is almost complete. Soon, 75 homes and two community anchor institutions will receive broadband access at 1G/1G speeds – a gold standard for rural broadband.

Whitman County is applying for competitive grants through the IIJA and CHIPS and Science Act to bring manufacturing industries to the area and create high-quality jobs. Access to top-speed broadband infrastructure gives Malden and Pine City a huge competitive advantage.

Rural and urban broadband grants by the Public Works Board

- The state appropriated \$46,000,000 CPF for the <u>Public Works Board (PWB)</u> to administer broadband grants to rural, distressed areas led by local governments, port or public utility districts, and federally recognized Tribes.
- The PWB awards prioritize **severely distressed areas**, defined as rural areas with an unemployment rate 20% above the state average and a median household income less than 75% of the state median (for the previous three years). The awards also prioritize grantees ready for last-mile broadband delivery. "Last-mile" refers to the final phase of the broadband infrastructure chain the cable that physically reaches customers' premises.
- Originally, PWB reported an estimated administrative cost of \$2.3 million CPF, 5% of the total appropriation. In 2024, PWB reduced the estimate to \$690,000 (1.5% of the total appropriation).

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⁷ Malden, WA | Data USA

- Some grantees are experiencing higher costs than originally estimated. Five grantees have submitted additional funding requests due to bid overruns. The largest unanticipated cost increase comes from charges and fees for adding new cables to preexisting utility poles. By reducing administrative costs, PWB applied \$1.6 million CPF toward bid overrun requests. Approved requests are capped at \$500,000 CPF.
- The PWB awarded approximately \$42.8 million CPF to 15 grantees. Five grantees secured a cash match totaling \$1.33 million. To date, PWB has spent a total of \$8.1 million. Of the total spent, \$162,151 went toward administrative costs. All but six grantees have started construction, and one job recently completed construction. Grantees have until October 31, 2026, to complete projects and report required CPF expenditures and data to the PWB.
- Of the 15 grants awarded by PWB, 11 grantees will complete last-mile construction only, and seven will serve severely distressed areas.
- The PWB funding will construct 11 towers and deploy 450 miles of fiber optic broadband cables to deploy an estimated 8,459 high-speed internet connections. Based on the 2024 FCC update, only 318 connections currently meet the 2024 minimally acceptable speed benchmark. Of the total new connections, 7,537 will serve homes, 878 will serve businesses, and 44 will serve community anchor institutions.
- The Town of Skykomish recently constructed 17 miles of cable, bringing broadband at 1G/1G speeds to 353 homes and two businesses (\$568,763 CPF). Previously, the community only had four connections meeting the 2024 FCC minimum speed benchmark. With so few past connections, the county must also focus on digital literacy needs. This includes operating an internet clinic to provide technical assistance and computer skills for the next two years (\$51,000 CPF).

Project highlight: Bringing broadband to communities in the foothills of stratovolcanoes

Northeast Lewis County is the gateway to <u>Paradise in Mt. Rainier National Park</u>. Southeast Lewis County is the gateway to the <u>Johnston Ridge Observatory on Mount St. Helens</u>, located in the heart of the 1980 volcanic blast zone. With mountainsides of alpine trees, glacial lakes, and over 245 species of wildflowers, these stratovolcanoes attract millions of visitors and outdoor enthusiasts each year. Nestled around the mountains are the small communities of Mineral, Ashford, and Elbe.

In the 1940s, Lewis County's logging and mining industries began to decline. In 2020, the average unemployment rate was 9.4%. 8 In 2023, poor health outcomes were at an all-time high of 17% (three

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⁸ <u>Data.census.gov Resources</u>

percentage points higher than the national average)⁹. The county's rate of domestic violence has been higher than the state average rate since 2002.¹⁰ The communities of Mineral, Ashford, and Elbe are no exception.

Aerial distribution poles flank state highways, bringing broadband to many park businesses, lodges, museums, visiting centers, ranger stations and firehouses. However, very few high-speed broadband connections extend to homes in the surrounding communities. A 2021 speed survey off State Route 7 found that only two of 64 residential connections near Mineral met the old FCC benchmark speed of 25/3 Mbps.¹¹

With mountain ranges affecting satellite service and little reliable broadband available beyond the main roads, emergency services and crisis response providers find it difficult to maintain critical mobile telecommunications (cell phone calls and navigation technology) needed to timely respond to Mineral, Elbe and Ashford residents. The lack of broadband services in these areas has become a barrier to equitable public health and public safety services.

The PWB awarded the Lewis County PUD with \$4,733,011 CPF to complete last-mile broadband delivery. Over 85% of cables will use existing highway distribution poles to extend 1G/1G broadband 83 miles for 1,234 homes. The last-mile extensions will also provide upgraded connections to 123 businesses and six anchor institutions. Such comprehensive broadband coverage will reduce the area's rate of dropped 911 calls and provide more accurate navigation support to emergency services and crisis response providers.

⁹ Lewis, Washington | County Health Rankings & Roadmaps

¹⁰ WA Statistical Analysis Center | CJDB90 22.xlsx (live.com)

¹¹ Broadband Service Comparison | Washington SBO Digital Equity (arcgis.com)

CPF awards inventory and spending

As of May 2024, the state has spent **\$23,609,064 CPF** (\$319,715 of which went toward administrative costs). CPF expenditures are reported to the U.S. Treasury every quarter. The chart below lists each project by award grantee and program title. It provides the grant amount and cumulative expenditures through May 2024.

Agency	Grantee	Title	Award Amount	Cumulative Expenditures
WSBO	Lincoln County	Project to Serve Deer Meadows and Seven Bays	\$ 8,921,342	\$ 18,857
WSBO	Lewis County	Bunker Creek Broadband Infrastructure	\$ 11,958,421	-
SBO	Okanogan County	Okanogan County Connects	\$ 11,985,014	-
WSBO	Port of Whitman County	Port of Whitman Fiber Networks	\$ 1,135,475	-
WSBO	Spokane Tribe	Spokane Tribe HWY 231 Fiber-to-the- home Networks	\$ 3,418,063	-
WSBO	Mason County Public Utility District 3	Cloquallum Communities Rural Fiber Expansion	\$ 3,645,768	\$ 696,799
WSBO	Orcas Power & Light Co-Op	Orcas Island East Broadband	\$ 3,911,649	\$ 656,965
WSBO	Orcas Power & Light Co-Op	San Juan Island Broadband	\$ 1,242,168	\$ 649,859
WSBO	Franklin County Public Utility District 1	Connell and Basin Fiber-to-the-home Networks	\$ 4,854,610	\$ 269,800
WSBO	Yakima County	Yakima County Broadband 2022	\$ 11,310,004	-
WSBO	Grays Harbor Public Utility District 1	South Elma, Porter and Cedarville Broadband	\$ 6,916,366	-
WSBO	Whatcom Public Utility District - Point Roberts	Point Roberts Fiber-to-the-home Networks	\$ 3,150,000	-
WSBO	Tri County Economic Development District	Central Stevens County Hybrid Broadband	\$ 12,000,000	\$ 237,284
WSBO	Jefferson County Public Utility District 1	The Inbetweens Fiber Collaborations	\$ 6,087,687	\$ 552,518
WSBO	Port of Skagit County	Bow Outlying Areas Fiber-to-the-home Networks	\$ 8,054,251	-
WSBO	Kittitas County	Kittitas County Broadband 2022	\$ 11,366,102	-
WSBO	Orcas Power & Light Co-Op	Orcas Island West Broadband	\$ 6,446,206	\$ 567,168
WSBO	Orcas Power & Light Co-Op	Outer Islands Broadband	\$ 3,352,904	\$ 380,489
WSBO	King County and Ziply	Ziply Fiber in Duvall	\$ 1,767,681	-
CERB	Chehalis Tribe	Chehalis Reservation Broadband	\$ 2,000,000	\$ 1,881,406
CERB	Nisqually Indian Tribe	Nisqually Reservation Open Access Network Phase 1	\$ 2,000,000	-
CERB	Port of Clarkston	NW Clarkston Heights Fiber-to-the- home Networks	\$ 808,287	\$ 808,287
CERB	Port of Woodland	Ariel to Cougar Fiber-to-the-home Networks	\$ 1,976,496	\$ 368,371
CERB	Kitsap County Public Utility District 1	Larson Lane Fiber-to-the-home Networks	\$ 1,565,363	\$ 732,349

Agency	Grantee	Title	Award Amount	Cumulative Expenditures
CERB	Kitsap County Public Utility District 1	Hintzville Fiber-to-the-home Networks	\$ 2,000,000	\$ 1,100,889
CERB	Port of Columbia	Dayton Community Broadband	\$ 2,000,000	\$ 1,965,601
CERB	Port of Garfield	Garfield County Fiber-to-the-home Networks Phase 2	\$ 285,375	\$ 285,375
CERB	Lincoln County	Almira, Creston and Harrington Broadband	\$ 1,963,920	\$ 1,739,242
CERB	Port of Walla Walla	Walla Walla Rural County Install	\$ 2,000,000	-
CERB	Port of Whitman County	Malden/Pine City Fiber-to-the-home Networks	\$ 1,734,921	\$ 1,498,167
CERB	Port of Bellingham	Whatcom County Rural Broadband	\$ 2,000,000	-
CERB	Mason County Public Utility District 1	Hood Canal - 101 Broadband	\$ 1,024,133	\$ 921,710
CERB	Port of Skagit County	Sauk-Suiattle Tribal Broadband	\$ 1,800,000	-
PWB	Kittitas County	Thorp and Edgemont Fiber-to-the-home Networks	\$ 3,338,946	-
PWB	Port of Clarkston	Federal Census Tract 9604 Fiber-to-the- home Networks	\$ 2,444,381	\$ 540,994
PWB	Lewis County Public Utility District	Connecting the Mineral, Elbe, & Ashford Communities	\$ 4,733,011	\$ 1,069,600
PWB	Port of Clarkston	Grantham Elementary Service Area Fiber-to-the-home Networks	\$ 1,775,282	\$ 1,676,872
PWB	Town of Skykomish	Skykomish Broadband	\$ 568,763	\$ 568,763
PWB	Lincoln County	Connecting Lincoln County	\$ 4,162,072	\$ 64,738
PWB	Jefferson County Public Utility District	Discovery Bay East Fiber	\$ 1,096,046	\$ 103,806
PWB	Port of Columbia	Touchet Valley Broadband	\$ 1,165,000	\$ 841,761
PWB	Clallam County	Clallam County Broadband	\$ 4,525,174	\$ 14,175
PWB	Pacific County Public Utility District	Broadband Build Bay City to Nemah	\$ 5,000,000	\$ 1,968,438
PWB	Lewis County Public Utility District	Connecting the Greater Vader Community	\$ 4,726,647	\$ 1,020,350
PWB	Port of Skagit	Fir Island Fiber	\$ 2,152,791	-
PWB	Town of Washtucna	Washtucna Fiber-to-the- Premise	\$ 788,946	\$ 41,781
PWB	Port of Coupeville	Central Whidbey Island Fiber	\$ 4,842,933	\$ 46,933
PWB	Kitsap County Public Utility District 1	Rural Kitsap Fiber-to-the-home Networks	\$ 1,939,356	-
TOTAL			\$ 187,856,519	\$ 23,289,349

Note: Total expenditures may change because these values do not reflect our final accounting reconciliation process for SFY 2024.

Community outreach and engagement

Washington seeks direct feedback from the public about barriers to accessing affordable broadband in historically marginalized communities to better understand the digital divide. To facilitate transparency, feedback is published widely to the public. The information below includes several links to supporting documentation, such as meeting notes, recommendations and public comments.

In December 2021, the WSBO and the Washington State Office of Equity held the first Digital Equity Forum (DEF). The public is invited to participate in DEF meetings, in which members represent tribal governments, underserved and unserved communities, and historically disadvantaged populations. It also includes state agency leaders and legislators. The forum consolidates all voices to develop recommendations to the Legislature that advance equal access, affordability and digital literacy. To date, 20 forums have been held. Agendas, documents and recommendations are available on the Digital Equity Forum website.

In March 2022, Governor Jay Inslee signed the Digital Equity Act (<u>House Bill 1723 (Chapter 265, Laws of 2022)</u>. Among other things, the act codified the Digital Equity Forum and required further outreach efforts from WSBO, specifically to additional remote locations and low-income communities across the state.

In 2022, the WSBO increased collaborations with local and tribal governments' Broadband Action Teams (BATs). BATs are community-driven collaborations that identify the unique connectivity and accessibility needs of their area. Sixteen of 29 Tribes and 39 of 39 counties provided the WSBO with comprehensive Community Action Plans, all of which are available to the public on WSBO's website.

Also, in 2022, the WSBO launched the Digital Navigator Program using state funds. A digital navigator is a trusted community member or organization who assists individuals, groups and households in accessing internet services and computer literacy services. Digital navigators distribute internet-supportive devices (laptops, computers, hot spots), provide real-time technical assistance, and teach inhome or web-based digital literacy classes. In 2023, a total of 32 digital navigators provided the following to 155,603 Washingtonians:

- 145,067 digital literacy services
- 106,349 internet-supportive devices
- 18,516 Affordable Connectivity Program (ACP) applications
- 112,773 households served
- 2,921 formally incarcerated individuals served

Between June 2022 and January 2024, the WSBO conducted over 30 public outreach and engagement activities focused on historically marginalized communities. These events hosted over 4,000 Washington residents. In-person meetings were held at libraries, food banks, festivals, school buildings, health centers and community centers near bus routes. The meetings also accommodated virtual participation.

The culmination of these outreach efforts greatly informed the statewide <u>Digital Equity Plan</u>, which was finalized in early 2024. The WSBO incorporated feedback from 72 public comments before finalizing the plan. All public comments are available <u>online</u>. One-page briefing documents were distributed across the state in seven languages.

Washington has several data resources attempting to quantify the digital divide for the public. Our statewide broadband survey provides current access and speed information by geographical location. It is available on the <u>WSBO website</u>. Our <u>statewide demographics dashboard</u> provides county-level details about internet access and computer ownership by race, age, income, English-speaking ability, etc. Once again, these findings are based on lower speed metrics than we have today and likely underrepresent the number of underserved households. The state is currently reassessing data using the 2024 FCC minimally acceptable speed benchmark updated in March 2024.

Fair labor practices and civil rights compliance

States must provide information about fair labor practices and civil rights compliance followed for CPF projects. These practices are described below.

- All laborers and mechanics employed through state contractors and subcontractors must follow
 the laws that govern hourly wages, benefits, overtime and other related labor practices for
 public works projects (<u>Chapter 39.12 RCW</u>).
- The <u>Washington State Department of Labor and Industries</u> (L&I) reviews contract compliance
 with the statutory requirements of Chapter 39.12 RCW. Industrial statisticians at L&I use
 collective bargaining agreements or market rate wage data to ensure state contractors provide
 prevailing wages for their workers. The prevailing wage is defined in <u>RCW 39.12.010</u>.
 - The state prioritizes contractors who commit to local hires and small businesses certified by the <u>Washington State Office of Minority and Women's Business Enterprises</u>. This increases equitable employment opportunities for owners and workers.
- All employers are prohibited from discrimination or preferential treatment due to race, creed, color, national origin, citizenship or immigration status, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability (Chapter 49.60 RCW).