



American Rescue Plan Act (ARPA) Funds - Broadband Development Taskforce

Problem Statement: Lack of High-Speed Internet Access

Broadband has become a critical infrastructure in today's global economy, just as our transportation system is to the agriculture and manufacturing economy. Unfortunately, many areas of Sheboygan County lack the necessary internet infrastructure and speed for accessing online education, employment, telehealth, government services or supporting rural businesses. This became readily apparent during the pandemic, and is leading to a paradigm shift in how Sheboygan County residents work, learn and communicate.

Charge: Develop Recommendations to Significantly Enhance Broadband Access, Affordability, and Services Countywide

Use of ARPA funds must be a well thought through and a deliberate process, and investing in broadband is an eligible use. Many other state and federal grant funding opportunities will also be available. The Broadband Development Taskforce will meet at least monthly to research and disseminate information, develop goals, recommendations, and implementation strategies, and provide a written report to the SCEDC Board of Directors, City of Sheboygan Common Council, Heads of Local Government, and Sheboygan County Board no later than January 2022. Sheboygan County will be a leader in the State, Region and the Country in providing high-speed internet to its businesses and residents.

Taskforce Membership:

- Sheboygan County IT Director Chris Lewinski (Chair)
- Sheboygan County Chamber of Commerce- Executive Director Deidre Martinez; alternate Director of Membership and Workforce Development Scott Kuehn
- City of Plymouth IT Director Dave Augustin
- Sheboygan County Economic Development Corporation (SCEDC) Executive Director Brian Doudna
- Plymouth School District Superintendent Dan Mella
- Hospital Sisters Health System (HSHS) Eastern WI Division & Prevea Health IT Director Brett Schabow
- United Way Executive Director Kate Baer
- Local elected officials - Sheboygan County Board Supervisor Jerry Jorgenson
- City of Sheboygan Alderperson Trey Mitchell



- Lima Town Supervisor Al Bosman
- Sherman Town Chairperson William Goehring



February 25, 2022

County Administrator Adam Payne and Members of the Sheboygan County Board,

Please find enclosed the Sheboygan County ARPA Funds Broadband Development Taskforce Report.

Broadband internet has become a critical infrastructure in today's global economy, and, unfortunately, many areas of Sheboygan County lack the necessary internet infrastructure and speed for accessing online education, commerce, employment, telehealth, government services or for supporting rural businesses.

In a recent study conducted by New North, Inc. to assess gaps in broadband coverage in Sheboygan County, it was reported that:

- 17% (8,115) of all households (47,738) in the County have no internet whatsoever.
- 86% of survey respondents are interested in faster and more reliable Internet service.
- 95% of survey respondents believe that local government should help facilitate better Internet access.

The ARPA Funds Broadband Development Taskforce was chartered to develop recommendations to significantly enhance broadband access, affordability and services in Sheboygan County. This eleven-person taskforce was made up of individuals from local and County government, economic development, non-profit organizations, healthcare, and education. Beginning in the fall of 2021, this taskforce met virtually several times to formulate and prioritize recommendations for the use of Sheboygan County ARPA funds to expand broadband access Countywide. It was my pleasure to work with these dedicated individuals, and I wish to personally thank each of them for their time and focus. These discussions yielded one recommendation that the taskforce determined would have the greatest community impact. It is proposed that Sheboygan County establish a funding pool of \$3,500,000 to be used in two ways, as follows:

1. To provide matching contributions to successful broadband expansion grant applications from ISP providers.
2. To provide small grants to individual residences and business locations to offset part of the costs of extending last-mile broadband infrastructure to their residence/facility.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Christopher S. Lewinski". The signature is written in a cursive style and is set against a light green rectangular background.

Christopher S. Lewinski
ARPA Funds Broadband Development Taskforce Chair

Cc: City of Sheboygan Common Council
Heads of Local Government
SCEDC Board of Directors

AMERICAN RESCUE PLAN ACT (ARPA) TASKFORCE REPORT

| Taskforce Information | |
|-----------------------|---|
| Taskforce Name: | Broadband Development Chair: Chris Lewinski |
| Report Date: | February 25, 2022 |

| Charge |
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| Develop Recommendations to Significantly Enhance Broadband Access, Affordability, and Services Countywide |

| Summary of Recommendation |
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| Establishment of a funding pool totaling \$3,500,000 to be disbursed through the following two programs for the purpose of expanding access to broadband internet services in Sheboygan County. 1. \$3,150,000 to provide matching contributions to successful broadband expansion grant applications that target unserved and underserved areas of Sheboygan County. 2. \$350,000 to provide small grants to individual residences and business locations to offset part of the initial costs of establishing a broadband internet connection at their residence/facility. |

| Recommendation 1: Establish a funding pool of \$3,500,000 to expand broadband access |
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| Implementation Strategy: <ul style="list-style-type: none">• \$3,150,000 of the funding pool would be used to provide matching contributions to successful broadband expansion grant applications in Sheboygan County. These contributions are deemed to be critical components of successful applications, as most grant awards are insufficient to wholly fund broadband infrastructure projects. The objective of this program is the buildout of wireline or fixed wireless broadband infrastructure that will, upon completion, provide broadband internet service to homes and businesses that reliably meets or exceeds symmetrical 100 Mbps download and upload speeds.• The decision to commit matching funds to broadband projects would be determined by the viability and timing of the project, as well as the number of unserved and underserved households and businesses that would be aided by the project. The amount of the contribution would be based on the overall grant amount requested in the application.• Broadband projects deemed worthy of consideration funding contributions would be identified by the Sheboygan County ARPA Broadband Development Taskforce and approved by the Sheboygan County Board.• Broadband grant funding contributions would be available to any and all broadband/internet service providers and/or telecommunications companies, provided their proposed project/grant application meets the criteria of serving un- and underserved broadband areas within the County, as well as the broadband speed criteria as specified in the Department of |
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Treasury Coronavirus State and Local Fiscal Recovery Funds Final Rule. There are numerous internet service providers operating within Sheboygan County with the experience, knowledge and potential to complete large-scale broadband infrastructure buildouts; this list includes, but is not limited to, Bertram Communications, Charter Communications, Bug Tussel, and many others.

- Priority of funding contributions would be for those projects/applications seeking to address “last mile” buildouts to residences and businesses in un- and underserved areas of Sheboygan County.
- Funding contributions would be awarded and thus encumbered by December 31, 2024 with the requirement that the monies must be expended by December 31, 2026. Projects or grant applications with anticipated completion dates extending beyond this second date would be ineligible for this funding.
- \$350,000 of the funding pool would be used to provide small grants (i.e. less than \$1,000 each) to individual residences and business locations to offset part of the initial connection costs of establishing a wireline or fixed wireless broadband internet connection at their home/facility. This County-administered grant program would aid those individuals and businesses that live/operate in areas where broadband internet services may be available, but the initial connection costs are prohibitive and are a barrier to access. As such, under this program, awards would be prioritized for those households with incomes that fall under 80% of Sheboygan County’s Area Median Income (AMI) and/or having a referral from a local school district that demonstrates need. The objective of this program is the establishment of broadband connections to individual homes and businesses that will, upon completion, provide broadband internet service that reliably meets or exceeds the broadband speed criteria as specified in the Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Final Rule.
- Funding administered by this program would be awarded to applications demonstrating need in paying upfront connection costs due to location, new technology equipment requirements and/or need for last-mile construction to the location. Amount of the award would be based on the overall amount requested in the grant application and be contingent upon the applicant investing a matching amount of at least 10% of the connection cost.
- Determination of awards would be recommended by the Sheboygan County ARPA Broadband Development Taskforce and approved by the Sheboygan County Finance Committee. Applications would be reviewed and awards granted as long as the funding pool remains or until December 31, 2024, whichever occurs sooner.
- Grant applications under this program would be accepted from any resident or business location in Sheboygan County, provided their proposed project/grant application will provide broadband connectivity that meets the speed criteria recommended under the American Rescue Plan Act (ARPA). Focus would be on those applicants with household incomes under 80% of Sheboygan County’s Area Median Income (AMI) and/or having a referral from a local school district that demonstrates need.
- Funding contributions would be awarded by December 31, 2024 and paid to successful grant applicants by December 31, 2026. Projects or grant applications with anticipated completion dates extending beyond this second date are ineligible for this funding.

Total Annual Operational Cost and/or one-time Capital Request: A one-time Capital investment of \$3,500,000 (inclusive of both funding programs) to be awarded by December 31, 2024 and expended by December 31, 2026.

Funding Breakdown (ARPA request, grant dollars, and any other leveraged resources):

- ARPA Funds: **\$3,500,000 one-time Capital investment (\$3,150,000 for matching contributions on grant applications; \$350,000 for individual home/business grants)**

| Year 1 | Year 2 | Year 3 |
|---|---|---|
| Revenue | Revenue | Revenue |
| \$3,500,000 ARPA | N/A | N/A |
| Expense | Expense | Expense |
| Up to \$3,500,000 (total, inclusive both programs) until expended: Matching contributions to broadband expansion grant applications and/or individual home/business connection grants. | Up to \$3,500,000 (total, inclusive both programs) until expended: Matching contributions to broadband expansion grant applications and/or individual home/business connection grants. | Up to \$3,500,000 (total, inclusive both programs) until expended: Matching contributions to broadband expansion grant applications and/or individual home/business connection grants. |

Sustainability: This would be a one-time investment in Year 1.

ARPA Eligibility: 5.16 Broadband: “Last Mile” projects AND/OR 5.17 Broadband: Other Projects

Community Impact:

- Lack of access to affordable broadband internet creates hardships in today’s society, as evidenced by the challenges in shifting to remote/virtual access during the COVID-19 pandemic. These challenges included, but were not limited to, education (remote learning for K-12 and post-secondary education), commerce, healthcare (telehealth), banking, and remote work (telecommuting), as well as access to critical information regarding COVID testing and vaccinations.
- A 2021 broadband study of Sheboygan County, which included meetings with stakeholders and interested parties in the County, as well as residential and business broadband surveys, found the following:
 - 86% of survey respondents are interested in faster and more reliable Internet service.
 - 95% of survey respondents believe that local government should help facilitate better Internet access.
 - More than 50% of respondents report they have trouble using common Internet services like viewing online videos or using video conferencing.

- 40% of County residents are “dissatisfied” or “very dissatisfied” with current Internet speeds.
- Only 39% of residents can confirm that they have Internet service that meets the FCC definition of adequate broadband service (25Mbps down)
- 34% indicate that availability of broadband Internet is affecting where they choose to live.
- 17% (8,115) of all households (47,738) in Sheboygan County have no internet.
- By providing matching contributions to broadband expansion grant applications, those applications are more likely to receive awards, directly supporting construction of last-mile broadband infrastructure to serve those households and businesses currently lacking such connectivity. This expansion in Sheboygan County will directly address inequities in access to the aforementioned areas of education, commerce, healthcare, banking, remote work and critical information.
- Providing funding to offset a portion of individual residential and business location costs for connecting to broadband internet will similarly directly address inequities in access to the aforementioned areas of education, commerce, healthcare, banking, remote work and critical information.
- Success of this initiative would be easily tracked and measured by the reduction in the number of households and businesses identified as currently lacking access to broadband internet services that meet the federal standards for broadband speeds.

Addendum: Recommendations for Sheboygan County from New North Broadband Study

New North, Inc. recently released the results of their regional broadband study that was conducted in the fall of 2021. In their report of Sheboygan County findings, they offered the recommendations shown below. The Broadband Taskforce was pleased to note that its ARPA recommendation outlined in this report aligns well with at least two of the New North recommendations— Public/private partnerships and Grant funding. And while the study report was not received early enough to fully consider inclusion of any of the remaining recommendations, the Taskforce finds merit in them and further advises that the Sheboygan County Board of Supervisors consider them for future initiatives, in particular the “Dig Once” policy.

| Recommendation | Description | Expected Outcomes |
|---------------------------------------|---|--|
| County-wide broadband strategy | A long term strategic plan is needed to bring affordable high performance broadband to all homes and businesses. | This will require a multi-year effort, using a variety of funding resources. While increased funding will be available in 2022, it will take several years to permanently address needs in unserved and underserved areas of the county. |
| Public/private partnerships | Telecom is inherently a public/private partnership when telecom firms use public funding and/or right of way. | Faster expansion of high performance broadband services when local governments provide funding and support. |
| Dig Once policies | The County should encourage joint trenching and and shared conduit construction where feasible and practical. | Better use of public right of way (a scarce resource). Lower costs for construction for new broadband infrastructure. |
| Grant funding | 2022 represents a significant one time opportunity for Sheboygan County to leverage ARPA funds for broadband. | Well-planned public/private partnerships and broadband infrastructure expenditures should provide substantial improvements in broadband service in under-served and unserved parts of the county. |
| Distributed ownership | Some county or regional ownership of broadband infrastructure. | Some public ownership of broadband infrastructure (e.g. fiber middle mile) will lower capital costs for ISPs and WISPs, create more competition, and lower the cost Internet service. |
| Regional collaboration | Networks span political boundaries and require a regional approach to maximize use of grant funds to create maximally efficient networks. | A shared vision of broadband in the New North region will lead to universal access to high performance broadband at affordable prices. Regional collaboration will also be a key driver of economic growth and jobs creation. |