

Building Your Digital Equity Capacity
April 2, 2024
Moderator: Charles McKee and Brett Litzler

Angela Thi Bennett

[\(00:01\)](#):

Hi everyone, and welcome. We are excited to have you here today to talk through the much-anticipated state Digital Equity Capacity Grant program. My name is Angela Thi Bennett, and I am honored to serve as your Digital Equity Director under the US Department of Commerce's National Telecommunications and Information Administration, NTIA. My pronouns are she/her.

We'll be running through a lot of information and we are going to go through it as quickly and comprehensively as possible to ensure we have time for questions. So a couple housekeeping matters. If you have any questions, we encourage you to put them in the chat or use the Q&A function. If any questions arise after this webinar, you can email the digital equity inbox at digitalequity@NTIA.gov and this presentation along with the recording of the webinar will be available on the BroadbandUSA website under [events/pastevents](#).

[\(01:10\)](#):

So before we get started into the content, I must say this document is intended solely to assist recipients in better understanding the State Digital Equity Capacity Grant Program and the requirements set forth in the notice of funding opportunity NOFO for this program. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates and the requirements set forth in the NOFO shall prevail over any inconsistencies contained in this document.

This document pertains to the State Digital Equity Capacity Grant Program requirements as they pertain to states and territories. While the NOFO contains information about the capacity grant program for native entities, the requirements and details of that program and timelines will be covered at a later date.

And the speakers that you will have today are Doug Kinkoph, our Associate Administrator of the Office of Internet Connectivity and Growth under NTIA, and you will also have our Charles McKee, who is our Senior Policy Analyst under the Office of Internet Connectivity and Growth under NTIA. And before we jump into the NOFO, Doug Kinkoph, our Associate Administrator, would like to welcome you, Doug.

[\(02:50\)](#):

Doug Kinkoph

Thank you, Angie. Thanks for joining us today. Today we're going to be discussing the Digital Equity Capacity Grant Program, which we launched last Friday. This program follows the State Planning Grant Program and provides an additional \$1.44 billion in formula grant funding to states, territories and tribal governments. This is important because it will help states, territories, and tribal governments support the digital equity projects and implement their digital equity plans.

We know that we need more than broadband infrastructure to connect Americans. We also need to provide them with the tools that will allow them to use high speed internet to get better access to education, jobs, healthcare, and other resources that will set them on the path to success.

Angela Thi Bennett, our Digital Equity Director, and Charles McKee, a senior analyst on our policy team, will be going over the details of this program in this webinar. But I wanted to take a moment to thank you for your partnership and our work together to ensure Americans have access to affordable and reliable high speed internet. And with that, I'm going to turn it back over to Angie. Thank you.

[\(04:10\)](#):

Angela Thi Bennett

Thanks, Doug. While many of you may already be familiar with digital equity, we want to review the basics to help level set and provide upfront context for the State Digital Equity Capacity Grant Program. The White House executive order on advancing racial equity and support for underserved communities through the federal government defines equity as: the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment such as black, Latino, and indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color, members of religious minorities, lesbian, gay, bisexual, transgender and queer, LGBTQ+ persons, persons with disabilities, persons who live in rural areas, and persons otherwise adversely affected by persistent poverty or inequality. And the term underserved communities refers to populations sharing a particular characteristic as well as geographic communities that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life as exemplified by the list and the preceding definition of equity.

[\(05:49\)](#):

There are other terms that I want to touch on that we use to do this work. And those terms are diversity, meaning representation. Do I see myself reflected in these spaces? Inclusion, which means behavior. Are we being thoughtful and intentional in creating spaces where any individual or group feels supported?

When we talk about belonging, we're talking about a feeling. How safe and comfortable does an individual or group feel in a space? And when we talk about equity, we're talking about systems. How do we address the systemic barriers to access and opportunities? And when we talk about justice, we're talking about results, fairness. Striving to live in a society that is centered on humanity, where individuals have access to the resources and opportunities that they need to thrive.

When we talk about the destination digital equity, it's defined as the condition in which individuals and communities have the information technology capacity that is needed for full participation in society and the economy of the United States.

[\(07:17\)](#):

On our pathway to achieving digital equity, this is an illustration of the different stops that we would need to make to on our road to achieving digital equity, ensuring that individuals and communities have access to affordable, robust, high

speed internet access. Ensuring that they have the internet enabled devices to meet their needs as well as the technical support that they need in order to best use these devices. Making sure that the applications and the content that's online are accessible and being thoughtful and intentional to ensure that the measures that are in place to protect online privacy and security. And equally important, making sure that individuals do not just have the access to the internet or the internet enabled devices, but access to the digital literacy and skills that they need to meaningfully use these tools to improve their lives in education, economic outcomes, their healthcare, being able to promote social inclusion and a sense of belonging in their communities.

[\(08:23\)](#):

So starting off, we want to give a quick overview on the Digital Equity Act programs. Under the Bipartisan Infrastructure Law, the Digital Equity Act provides \$2.75 billion in funding for three programs focused on promoting digital inclusion and advancing equity for all. This program aims to ensure that all communities can have access to and use affordable, reliable, high-speed internet to meet their needs and improve their lives.

So under the Digital Equity Act, we have three programs. We have the \$60 million State Planning Grant program. We have the \$1.4 billion State Capacity Grant program, and we have the \$1.25 billion Competitive Grant program. So under the state digital equity planning grant program, states and territories were provided with funding to develop their state digital equity plans. Currently, all 50 states, the District of Columbia and Puerto Rico have all submitted their state digital equity plans to NTIA for review and acceptance. The four territories are all out for public comment on their plans.

[\(09:38\)](#):

Now that we have launched the state digital equity capacity grant programs, states and territories will be able to submit applications to NTIA to apply for funding to implement the plans that they've just developed. Once we make our first award under the State Capacity Grant Program, we will then launch the Competitive Grant Program.

Now we'll get into the nuts and bolts of the State Digital Equity Capacity Grant Program. Again, if you have any questions, please feel free to put them in the chat. The purpose of this grant is to create the conditions where individuals and communities have the information technology capacity that is needed for full participation in society and the economy of the United States. This program will make funds available to begin implementing accepted state and US territory Digital Equity Plans to eliminate digital exclusion of covered population and provide them with the tools and resources to meaningfully use the internet to improve their lives.

[\(10:54\)](#):

You are most likely familiar with the term covered populations, but as a reminder, these include individuals who lived in covered households or low income populations, aging individuals, individuals, and that is individuals who are 60 and

over, our incarcerated individuals, but excluding those in federal correctional institutions. And as you recall, states were able to define incarcerated individuals. Veterans, disabled individuals, individuals with language barriers, which includes our low literacy and our English language learners. Our racial ethnic minorities, as well as our individuals who live in rural areas.

So I always like to use the slide to reflect the intersectionality of our covered populations. Individuals who belong to one cover populations are not monoliths. Oftentimes they identify with multiple identities. For instance, you can have an aging individual who is also a member of the veterans population. You can have someone who is incarcerated and recognizing that if someone who is incarcerated but is also belongs to the disabilities population, that they're going to experience different disparities and they will have different needs.

[\(12:19\)](#):

So it's so important to make sure that as we are identifying and to address the needs of the different cover populations, that we are also disaggregating those populations and looking at the diverse needs of the subgroups of those populations. Ultimately, we know that access to reliable, affordable, high speed internet is not just about the technology, it is about the people. It is ensuring that this program has an impact on the various covered populations as it relates to economic and workforce growth. How are we increasing job opportunities and business growth for communities so that individuals do not have to leave their communities to attain economic opportunities? How are we expanding access to learning and upskilling opportunities to meet the needs of our different learners? How are we increasing health literacy so that people can be empowered to control their health, take better control and be on their own advocates for their own health?

[\(13:27\)](#):

How are we increasing access so that individuals can participate and be connected to their communities as well as getting access to essential services so that they can help improve their own lives? During the Digital Equity Capacity Grant Program process, states and territories have been collecting data to identify the barriers and the needs of the different covered populations. Also conducting asset inventories to determine what sort of resources are already existing in the communities. We saw from the pandemic that our communities are so resourceful and resilient, and how are we leveraging those different organizations that have been those boots on the ground serving our covered populations? So as I talked about earlier, NTIA awarded \$60 million to states and territories to develop their digital equity plans. We launched in May of 2022, and this was the first time that eligible entities had received any funding to develop digital equity plans.

[\(14:43\)](#):

And now with the launch of our much-awaited Capacity Grant Program through this NOFO, we are going to make funds available so that states can begin implementing those plans. As we've talked about during this planning process, these plans were not developed to sit on a shelf, but to really be that guiding factor, that framework,

that foundation that will guide the states and implementing these plans. The Capacity Grant Program funding determinations were based on a statutory formula and in the NOFO. So each year the funding amount was determined as follows: 50% based on the total population in proportion to the total population of all eligible states, 25% based on covered populations in proportion to the total population of all eligible states, and 25% based on broadband availability and adoption. So it's the comparative lack of availability and adoption of broadband. And for our territories, which received a 1% set aside, we divided that set aside amongst, equally amongst the four territories. To make this funding allocation, we use the most up-to-date census and population survey data to apply the formula from the last slide that I just shared to determine those allocations. Please note these allocations are tentative. So a state's allocation can be higher or lower than the amount listed here due to events like the challenge process, which we will discuss later.

[\(16:37\)](#):

So here we're going to talk about who is eligible to apply to the State Digital Equity Capacity Grant Program. The statute provides that each state and territory of the United States that has developed an accepted digital equity plan is eligible to apply for grants under the capacity grant program. This means that all 50 US states, Washington, DC and Puerto Rico, as well as the US Virgin Islands, Guam, American Samoa, and the commonwealth of the Northern Mariana Islands can apply.

The purpose of the capacity grant funds are to support the adoption of sustainable long-term programs that address digital equity through defined projects and activities. For the states and territories this means implementing activities and strategies laid out in the digital equity plans and monitoring and reporting on project implementation progress. And now I will hand it off to Charles.

[\(17:46\)](#):

Charles McKee

Thanks, Angie. Next we're going to talk about integration with the BEAD program, the Broadband Equity Access and Deployment program. The Digital Equity Act is closely tied to the broader infrastructure deployment goals, the Broadband Equity Access and Deployment or BEAD program. The BEAD program is an historic investment in last mile for broadband planning, deployment mapping, and equity adoption and meaningful use projects. The two programs complement each other and require high levels of coordination to make sure resources are working in a non duplicative manner.

States, territories, and native entities should do the following to reinforce coordination. They should establish formal and direct communications and collaboration pathways, and they should ensure that projects are coordinated with other broadband-related projects. This is important not only to avoid duplication, but to reduce the burden and confusion on community stakeholders when fulfilling the local coordination, outreach and stakeholder engagement requirements of both programs program.

[\(19:06\)](#):

So now we turn to the nitty gritty, how to apply. The DE grant programs have specific forms and requirements that are unique to the program and require special attention. The application forms and instructions are available on the NTIA Grants Portal and on the broadbandUSA website. Applicants should follow instructions carefully and are encouraged to submit their applications early.

The NOFO provides states and territories with instructions on how to complete and apply for capacity grants under the state Digital Equity Capacity Grant Program. Applicants are strongly encouraged to review the full list of requirements in the NOFO.

Some of those requirements are the identification of the administering entity. Uploading the NTIA accepted digital equity plan. The certifications regarding implementation of the plan, and making sub grants that are consistent with the digital equity plan. The assurances that are identified in the statute and are set out in the NOFO and an appendix. The project narrative and we will be providing further technical assistance and training on the project narrative, which is an extensive section.

[\(20:37\)](#):

The description of how the state or territories implementation will benefit each of the cover populations in the state or territory. A certification that the funds will be used to supplement, not supplant, other federal or state funds. A description of all other funding sources to implement the Digital Equity Plan. And finally, the consolidated budget form, which is another more complex submission that we'll be providing additional technical training on.

Challenging allocations. We want to emphasize that the allocations contained in the NOFO are tentative. A state or territory's final allocation could be higher or lower than the amount listed in the NOFO. A state or territory that wants to challenge the allocation must submit a letter to the assistant secretary signed by its governor or equivalent official. The letter must describe in as much detail as practical the error or other defects that the state believes to have occurred in NTIA'S application of the statutory formula or statutory requirements.

[\(21:52\)](#):

There are two time periods applicable to challenges within the NOFO, it is stated that we would prefer to have challenges filed within 14 days. The Assistant Secretary will determine the validity of the challenge and respond to the state. If the Assistant Secretary determines that a recalculation of formula amounts is appropriate, the Assistant Secretary will promptly notify the other states of this occurrence and the results of any amendment to award amounts for all states within 21 calendar days.

Next, we're going to talk about the appropriate use of funds. Eligible states and territories must use their state digital equity capacity grant funds for specific purposes that are outlined in the NOFO. Specifically, states and territories may use their funds to update or maintain their plans, to implement their plans, to make subgrants and we'll be providing additional guidance on this but sub-grants effectively to implement their plans, costs associated with evaluation and costs

associated with administration. Again, we'll be providing additional guidance around evaluation costs and administrative costs.

Eligible states and territories may choose to subgrant some or all of their awards to carry out their digital equity projects. Note that eligible sub-recipients are limited by statute and in the NOFO, and applicants should look to the NOFO for more explicit instructions.

[\(23:43\)](#):

Each state or US territory applying for capacity grant funds must establish a fair, transparent, equitable and inclusive process for selecting sub-grantees. Sub-grants must first carry out the activities required under the following list, and is listed in the NOFO. And those are to assist in the implementation of the digital equity plan and or digital equity programs and activities identified. Pursue digital inclusion activities consistent with the digital equity plan and report to the state or territory regarding the digital inclusion activities of the entity. Additionally, subgrants must not result in unjust enrichment of the entity and the subgrantee must cooperate with any evaluation of the program as it relates to a grant awarded to the entity. NTIA strongly encourages states and territories to take deliberate steps to ensure that sub-grant opportunities are accessible to a diverse range of organizations, particularly those owned, led, or managed by members of the covered populations. Projects and activity, even being conducted by sub-grantees, must serve the covered populations.

[\(25:18\)](#):

In examining whether a proposed strategy or intervention furthers the goals of the State Digital Equity Capacity Grant Program and the state or territory's Digital Equity Plan, grant recipients must consider their criteria and focal points outlined in the NOFO. Grant recipients should think through the following criteria: a focus on covered populations, long lasting and meaningful change, stakeholder engagement, and measurable implementation strategies.

Digital equity grantees can use their funds in multiple ways to achieve the equitable adoption of high speed internet and empower their communities to learn and the services they provide to grow. First, digital literacy and skills training. These programs will encourage digital literacy and skills programs that provide training and education to members of the covered population. E-government and civic engagement. These programs will develop digital tools that enable online community engagement and that empower individuals to participate in the democratic process.

[\(26:45\)](#):

Device deployment programs. These will coordinate deployment of accessible devices such as laptops, smartphone, tablets, or other internet-enabled devices for those that need it most. Economic development. These programs will support digital entrepreneurship, online job training, and remote work opportunities to foster economic empowerment and reduce disparities. Online access to health and mental wellness services. These programs will build or strengthen tools that directly help

patients and end users within the covered populations to access healthcare services online. Online accessibility. These programs will ensure that websites and applications are designed with accessibility in mind. And finally, access to affordable broadband service. These programs will promote and provide low cost services, but please note there are limitations within the NOFO regarding the provision of subsidized services. I'll turn it back over to Angie.

[\(28:07\)](#):

Angela Thi Bennett

Thanks, Charles. As we mentioned before, there are several grant programs running simultaneously that can change the lives of the covered populations. It is the grant recipient's job to make sure that they are reaching the covered populations they intend to reach with the programming they want to implement. We encourage states and territories to use the Capacity Grant and other available funding sources as applicable to carry out their digital equity plans and serve all covered populations. The Digital Equity Act authorizing the establishment of this program does not contain a statutory non-federal cost sharing or matching funds requirement. Using multiple funding sources like BEAD or other federal grants when you can and keep track. Describe these funding sources in your budget forms and project narratives.

Capacity grant recipients and sub-recipients are required to incorporate program evaluation activities from the outset of their program design and implementation capacity. Grant recipients and subrecipients are required to incorporate program evaluation activities to understand population level outcomes.

[\(29:32\)](#):

The NOFO provides the following evaluation criteria as required data to be collected through the duration of the program. Number of covered populations served, number of people served within each covered population. The total number of people served, the number of programs implemented by type, anecdotal personal testimony demonstrating the positive impact of the program, and quantifiable evidence of progress toward the measurable objectives identified in the Digital Equity Plan. Additionally, the NOFO requires that the state or territory evaluates the impact of the projects and activities against larger state goals as they relate to economic and workforce development outcomes, educational outcomes, health outcomes, civic and social engagement, and delivery of essential services.

[\(30:42\)](#):

The due dates for the capacity application and reporting requirements may vary based on recipient type. State and territory applications have a different due date than native entity applications. Grantees must expend grant funds during the five year peer to performance beginning on the date which the eligible state or territory was awarded grant funds.

And remember, application due dates vary by grantee type. So for states, the District of Columbia and Puerto Rico, the application deadline is May 28th, 2024. This is statutory. You have 60 days from the date of the launch to submit your application. For US territories, the deadline is July 31st, 2024, and for Indian tribes,

Alaska native entities, and native Hawaiian organizations, your application window will open September 25th, 2024, and close February 7th, 2025 NTIA. Plans to issue awards to Eligible Estate and Territories no later than August 28th, 2024. Additionally, we will make awards on a rolling basis and grantees can still anticipate quarterly monitoring.

[\(32:23\)](#):

Once applications are submitted, they will be reviewed in two phases. The initial review is an administrative screening that determines if applicant's initial eligibility criteria is met. This review will confirm that an applicant has completed the application and is eligible to receive funding. The merit review will confirm if proposed activities align with program objectives, eligible activities, and related costs within the budget.

States and territories should lean on their FPOs to guide them to the posted NOFO and other approved guidance documents, upcoming webinars, and technical assistance materials to explain the program and the program application requirements. While FPOs cannot complete the application for you, they can provide you with objective answers about the program.

Ultimately, the Assistant Secretary or his designees will recommend applications for funding based on the results of the review phases. During the application review process, NTIA can negotiate with the applicant around specific changes to the application during the curing phase.

[\(33:50\)](#):

Final approval of applications and distribution of awards will be made by the NIST grants officers. These award decisions are final.

And now we'll take a closer look at native entities. Throughout much of this overview, we have intentionally focused on states and territories because their application window is sooner tighter, and uses the formula grant process. Now, we will briefly lay out the native entity section of the NOFO and promise that we will have more information regarding this process coming soon.

Native entities will have a competitive process for obtaining Digital Equity Capacity Grants. These are not formula grants. The application window closes 315 days after this NOFO is released and the application is open to Indian tribes, Alaska native entities, and native Hawaiian organizations. Again, we will release more information and technical assistance resources on the native entity portion of the NOFO soon.

[\(35:10\)](#):

We are coming down the home stretch. We want to make sure you have all the direction to get involved and get moving on these applications that you are applying for. First, for those that are not administering a grant, engage with your state broadband office or SBO. Learn the ways that they are incorporating stakeholder viewpoints and stay in the know. Learn your SBO's sub-award or sub-granting

process and contact your SBO for more information to determine if you are eligible to apply. If you need contact information for the SBO, it can be found on our website at www.internetforall.gov. Once you get to that site, if you click on the map, if you click on the state, it will provide you with your SBOs contact information. It will also provide you with the FPOs information that is designated to serve that state. And remember, the competitive program is on the horizon, so keep an eye out for the next round of funding.

[\(36:27\)](#):

For those applying for the capacity grant program, please use all technical assistance resources available. Please confer with your FPO. They are in your corner and want you to successfully apply for this money. They can help you stay compliant and coach you to a comprehensive, measurable, impactful Capacity Grant implementation application. And lastly, keep track of your deadlines for application submission, curing, monitoring, and reporting for the grant and programmatic requirements. Again, I will stress keep track of your deadlines for application submission. For states, your application window is 60 days by statute and there is no waiver of that deadline.

Thank you for your time today. We look forward to working with you as you implement your digital equity plans. If you have any questions, please feel free to reach out to the digital equity team at digitalequity@ntia.gov. Thank you.

[\(00:39:09\)](#):

Brett Litzler

Hello, good afternoon everybody. My name is Brett Litzler. I'm a Digital Equity Advisor with NTIA. And we will now jump into our Q&A portion with Charles McKee who was on our presentation earlier.

[\(00:39:26\)](#):

Charles McKee

Alright, so you going to ask me questions? Brett,

[\(00:39:29\)](#):

Brett Litzler

I will ask you questions and we have a lot of questions in the Q&A, which is great, although unfortunately we only have about 20 minutes to answer questions. So I'm going to jump right in. So the first question that I see is, what is the period of performance for the DE capacity grant for states?

[\(00:39:51\)](#):

Charles McKee

So the period of performance is going to be five years. That applies to states, the territories, and it will apply to native entities as well when we get to that stage.

[\(00:40:04\)](#):

Brett Litzler

Cool, thank you. There was a follow up to that question that I wanted to ask as well. Let's see. So what is the application due date for each of those entity types?

[\(00:40:29\)](#):

Charles McKee

So states must apply by May 28th. That is a statutory deadline. I want to emphasize that, we didn't come up with that. And if you do not make that deadline, you will not be eligible for these funds. So it is important that you meet that May 28th deadline.

The territories will be due July 31st because the territories began the process of their DE plan creation later than the states did. We're giving them additional time within which to complete that.

And then the application window won't open for native entities until the fall until September 25th. So again, we'll have more time to address in detail the native entity section of the NOFO. And I will just note for folks that it seems like a long NOFO, its length is primarily driven by the fact that we had to address states and territories and native entities in two separate sections to feel like it's kind of long and complicated. It's not as long and complicated as it looks.

[\(00:41:42\)](#):

Brett Litzler

Cool. Great, thank you. Kind of on a similar topic there, how will the rolling basis for Capacity Grant awards be determined?

[\(00:41:53\)](#):

Charles McKee

So as the applications come in, NTIA will review them. The timing of the awards will be driven by when they're submitted and whether or not they're complete. And then finally, when NTIA was able to get through the reviews. Because this is an allocation grant program and not a competitive grant program, we will be able to issue awards to the states who have satisfied the application requirements and submitted an accepted DE plan. We will do that as they come in and as we are able to do, but we are not going to wait for every state and every territory to have completed their applications before we issue rewards. We're going to do them on a rolling basis.

[\(00:42:50\)](#):

Brett Litzler

Yeah, cool. Okay, great. Thank you. A lot of application questions, understandably. Another question, are consortium applications required to apply for the DE Capacity Grant?

[\(00:43:08\)](#):

Charles McKee

No. And again, I saw a bunch of questions around this and not to be too technical, but to be clear, these are grants that would be going to the states directly. So this is an allocation to the states, to the administering entity that the governor appoints to handle these funds. The states then will be able to engage in sub granting to other entities that are identified and listed in the NOFO. But remember that this initial grant is a single grant to the state and then the state will take over and handle the sub granting and the projects that will implement the state's design DE plan.

Again, I think one of the things to emphasize about the capacity program is that this program is designed to fund the state's plans. So the states have already created these plans or are in the process of completing their plans and that's what will drive

the way in which those funds are eventually spent longer than you really wanted Brett. But I

Brett Litzler

[\(00:44:32\)](#):

Think that was,

[\(00:44:33\)](#):

Charles McKee

I saw a bunch of questions coming through on that and I just want to be clear, it's not as if individual entities will be coming to NTIA and asking for money. These are going to be block grants as per the statute to the states to implement their DE plans.

[\(00:44:48\)](#):

Brett Litzler

Yeah, no, that's great. And just in addition to that, in the same sense that we encourage and required coordination and collaboration with stakeholder networks during the planning grant process, we're also encouraging that same coordination of course when it comes to the implementation to the capacity program as well.

[\(00:45:08\)](#):

Charles McKee

Right.

[\(00:45:10\)](#):

Brett Litzler

Okay. The next question I have is cost sharing required to apply for the de capacity grant?

[\(00:45:19\)](#):

Charles McKee

So that's a good one because it's easy no, there is no matching requirement in the statute. There will be one on the competitive grant program, but there is not in the Capacity Grant program.

[\(00:45:32\)](#):

Brett Litzler

Great. Okay.

[\(00:45:45\)](#):

So I've seen a lot of questions like this in the Q&A, and I know it's very similar to what we've been talking about consortia, but just to spell it out very clearly, who is eligible to apply for the DE Capacity Grant? Is funding only available to government agencies? The person who asked the specific question said, I work for the Montana Community Action Network, our State Association for Community Action agencies. We are a nonprofit as are all of our members. So would this type of entity be eligible or who is eligible to apply for the capacity grant?

[\(00:46:21\)](#):

Charles McKee

So again, to highlight, the states are eligible to apply to NTIA for a capacity grant and that those funds will be awarded to the state per the statutory formula. The state will receive those funds and the state will be able to sub-grant those funds to the

entities that are identified by the statute as eligible. Political subdivisions are one of the categories of entities to which subgrants can be awarded. As well as, let's see if I can find quickly, what number is this Brett? I'm trying to see if I can find the other list. But the statute lists them as 1724 B. The entities that are eligible and include nonprofits, include political subdivisions, include native entities. There's a wide range of entities that are eligible.

[\(00:47:38\)](#):

Brett Litzler

Yeah, community anchor institutions, local education agency, agency that carries out workforce development programs. Yeah, we found it. Thank you. Okay, let's see here. Could you expand a little bit? I got a lot of questions similar to this one. Could you expand a little bit on the plan updates aspect that was talked about in the presentation and can be found in the NOFO? What do we mean when we say plan updates for that 20% cap?

[\(00:48:20\)](#):

Charles McKee

So the statute does provide, and I saw some questions around why that is such a high cap in comparison to the other items. That's a statutory cap, something that Congress specifically required, but the specific things that the statute permits is updating and maintaining the plan. We anticipate that as the plans are implemented, you will see results coming in that may either require a change in direction or a way in which the program is being implemented. Certainly, as you'll see in the NOFO, we emphasize the importance that you stay in contact with the recipients and the covered populations to get feedback on how the programs are succeeding. And we really want to ensure that states are capturing objective data that shows how well the programs are performing and that they are responsive and make adjustments as necessary as those projects are ongoing. But the 20% cap is a statutory one, that was not something we made up and stuck in there.

Brett Litzler

[\(00:49:53\)](#):

Thank you. Let's see.

[\(00:50:01\)](#):

Charles McKee

I did see a lot of questions around the allocation. I thought you might float those up and yeah, I know they're kind of messy, but I wanted to go ahead and just take them head on because we did get multiple people asking this question.

[\(00:50:17\)](#):

So let me just explain again. It is set out in the NOFO, but it's always easier to talk about it at length. It's hard to put all this into the document in a way that doesn't make it unwieldy. The Capacity Grant Program is a total of \$1.44 billion, and that usually is the number that everybody focuses on. When Congress appropriated these funds however, they appropriated them on an annual basis.

So the amount of funds that have been appropriate to date is \$840 million. That's the amount of money that we're making available through this NOFO. The \$840 million is subject to the territorial set aside, native set aside, administrative costs. So

the net being made available to the states is what is shown in the allocation formula.

[\(00:51:28\)](#):

Next year we anticipate Congress will make available another \$300 million and then in the following year we anticipate Congress making available another \$300 million. The way in which the statute's structured, we are required to issue a new NOFO for that next \$300 million in 2025 and another NOFO to make the next \$300 million available in 2026. So this NOFO addresses just the money that's been released to date, which is for fiscal years 22 through 24. Next year we'll release another NOFO in anticipation, we'll say, anticipating that Congress makes that money available, we will release another NOFO. And then likewise again in 26, excuse me, I'm take a more drink.

[\(00:52:27\)](#):

Brett Litzler

Yeah, no, that was great and I did see a lot of questions about that in the Q&A and so thank you for tackling that one too.

[\(00:52:38\)](#):

Charles McKee

I didn't want to take you out of order. I mean, you probably already thought about how you want to ask this, so my apologies. Go ahead and that was perfect. Take the next hard one.

[\(00:52:47\)](#):

Brett Litzler

All right. Yeah, I got another hard one here for you. A lot of questions similar to this as well, talking about eligible uses, but specifically this one is asking, are pilot programs an eligible use of capacity funds? So I think there's sort of a specific answer and then there's a broader answer about eligible uses.

[\(00:53:11\)](#):

Charles McKee

So the eligible uses are again, both defined by statute and the primary eligible use is implementation of the Digital Equity plans. Now, we understand and frankly expect states to come up with innovative programmatic uses that will meet the goals of the Digital Equity Act. We provide in the NOFO certain guardrails or items that we require you focus on, and those were listed in the presentation earlier, the four elements, the covered populations that you need to focus on, covered populations, it should be a sustainable program. It should be, Brett, help me out with the last two. It's in the NOFO, it's in the presentation earlier that we just covered. Those are very broad. That doesn't say, well, can I do a pilot program? It doesn't say that. It just says your program should consider those things.

We also provide some guidance on examples of types of programs. We can anticipate. A pilot program, I'm assuming by that you're making reference to an initial program that you want to test. I don't want to speculate on anything specific, but I would anticipate that yes, that would be something that would be permissible. Obviously, it'll depend on the details of what kind of program and what you're proposing to do. Is it consistent with the goals of the Digital Equity Act?

[\(00:55:05\)](#):

We tried to provide those examples specifically so that you would've guidance on the types of programs we expect to see coming through and that are consistent with the goals of the Digital Equity Act. And again, as we said, Angie, read the disclaimer, it's important that you read the statute. It's important that you read the NOFO so that you understand what the Digital Equity Act goals are and that the programs are consistent.

[\(00:55:33\)](#):

Brett Litzler

No, absolutely. And I found that the page that you were referring to, page 33 of the NOFO, the focus on permitted activities, focus on covered populations, a focus on long lasting and meaningful change, measurable implementation strategies and stakeholder engagement. And the short of that is the implementation of the digital equity plans.

[\(00:55:58\)](#):

Charles McKee

And as you'll see in the NOFO repeated ad nauseum, it's important that you have objective criteria and data points that you're collecting. We want to be able to demonstrate that this program is successful and we want to see how it is moving the needle in digital equity. So that's repeated over and over. You need to have objective measurable criteria as part of your program.

[\(00:56:33\)](#):

Brett Litzler

And I saw a lot of questions in the Q&A as well about that evaluation aspect, and that's certainly part of it is those objective measures or the measurable objectives that were in the digital equity plans as being a key part of the evaluation that they're doing to determine the success of the programs. If you have anything else to say about evaluation, I can look for the next question, but no pressure.

[\(00:57:04\)](#):

Charles McKee

There is a section set out in the NOFO that provides specific data points we've been collecting in order to allow us to engage in evaluation. I will note that there is a statute imposes a 5% tap on evaluation costs, but I emphasize you need to look closely at the language in the NOFO and in the statute because that's a very narrow tap. It applies to evaluation of the results of subgrants. So I emphasize, be careful as you interpret that it's not just data collection generally. That's that cap applies to

Brett Litzler

[\(00:57:48\)](#):

Not evaluation period, but evaluation of subgrantees. Of

[\(00:57:52\)](#):

Subgrantees.

[\(00:57:53\)](#):

Yeah. Cool. Speaking of subgrantees, can you talk a little bit about the subgrantee selection process? We got one question that asked, does NTIA make the decision on subgrantees or does the state

[\(00:58:12\)](#):

Charles McKee

The state makes the decision on sub-grantees. And with respect to the sub-grantee process, we've not specified an elaborate structure for that. All we've said is that the states have to comply with state and federal laws with respect to their sub-grants, and we've emphasized that the subgrant process must be fair and transparent. In other words, the state needs to make clear how they're going to do their sub granting and they need to make that information available so that potential applicants for those funds will know what the rules of the road are in advance. So we emphasize it should be fair and transparent, and we encourage states, to the extent possible, to use members of the covered population or entities run by members of the covered population in the spirit of the Digital Equity Act.

Brett Litzler

[\(00:59:12\)](#):

And do states, are states required to sub-grant in this program?

[\(00:59:19\)](#):

Charles McKee

No, they're not required. Depending upon who the administering entity is for the state, it seems likely that they'll engage in some level of sub granting, but they're not required to do so.

[\(00:59:42\)](#):

Brett Litzler

All right. We have time for one more question, so I'm going to find a good one unless there's something else on your mind. Okay. Is it NTIA's expectation that states will fully implement their submitted digital equity plans and achieve all measurable objectives during the period of performance? It's difficult, this person says, it's difficult to tell if we're supposed to prioritize specific strategies given the funding allocations.

And a similar question, must every goal/objective be addressed in implementation? Many of those goals in the digital equity plans were written without knowing the total award amount. And so is the expectation that all of those will be met.

[\(01:00:42\)](#):

Charles McKee

The requirement in the statute is that you implement your digital equity plans. It is not a requirement that you complete every program that is contained in the plans. We recognize that there's going to need to be some level of prioritization about how you approach the plans, and that some things will be done sooner than others. In the application form, you'll see a requirement that you detail how you plan to implement and how you're doing your prioritization. There will be additional funding being made in out years, but the expectation is that all of the funding that is received here will be used for implementation of the plans.

One thing I want to emphasize though, is that we do expect something to be done for each of the covered populations as a part of that implementation process. So unless you disagree with me, Brett, I think the answer to the question is no, we don't expect you to fully complete everything that is in the plan, although we expect that the funds will be used to maximize the effectiveness of the plan and attempt to pursue all of the objectives of the plan,

[\(01:02:19\)](#):

Brett Litzler

Right? Yeah, absolutely agree. And as it relates to this NOFO and this application, applicants will need to describe the elements of the digital equity plan that will be implemented during this allocation of the capacity program.

[\(01:02:35\)](#):

Charles McKee

In fact, there's even a section in the NOFO talks about the fact that we understand you may be drawing on funds from other things to help fund the plan, but we just want, and with respect to that, we ask for transparency that you disclose how that's going to be done.

[\(01:02:54\)](#):

Brett Litzler

For any matching. Yeah, absolutely. Yeah. Cool. Well, thank you so much, Charles. This is all of the time that we have for questions and answers Today. I see the Q&A box just says 99 plus next to it. So there were plenty more questions where that came from. Unfortunately, we don't have time to answer all of them, but you can see in the chat, Julia has put the email address if your question was not answered. If you have another question that comes up, please email it to digitalequity@ntia.gov. You can also visit our past events page in a few days. The slides, the recording and the transcript, all for this webinar will be made available. So take a look at the broadbandUSA past events page and the link is in the chat as well. So again, thank you so much, Charles. Thank you to all of our presenters earlier, and thank you to everyone who was able to join us today.

Charles McKee

[\(01:03:52\)](#):

Thanks.

Brett Litzler

[\(01:03:53\)](#):

Thanks. Bye.