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BEA

New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**

November 28, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a VI, authorize the Department of Business and Economic Affairs (BEA) to accept and expend \$65,000,000 in Coronavirus Capital Projects Funds for the purpose of improving the State of New Hampshire's broadband infrastructure, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. **100% Federal Funds**

Funds are to be budgeted in FY2023 as follows:

03-022-022-221510-24410000 BROADBAND CONNECTIVITY FD ARP		FY 2023	FY 2023	FY 2023
Class	Description	Current Modified Budget	Budget Request	Revised Budget
Expenditures				
020 - 500200	CURRENT EXPENSES	\$ 5,609	\$ 0	\$ 5,609
022 - 500248	RENTS-LEASES OTHER THAN STAT	\$ 13,664	\$ 0	\$ 13,664
027 - 582703	TRANSFERS TO DOIT	\$ 10,769	\$ 0	\$ 10,769
030 - 500301	EQUIPMENT NEW REPLACEMENT	\$ 6,324	\$ 0	\$ 6,324
037 - 500172	TECHNOLOGY-HARDWARE	\$ 4,800	\$ 0	\$ 4,800
038 - 500177	TECHNOLOGY-SOFTWARE	\$ 3,789	\$ 0	\$ 3,789
039 - 500188	TELECOMMUNICATIONS	\$ 1,423	\$ 0	\$ 1,423
040 - 500800	INDIRECT COSTS	\$ 49,863	\$ 2,500	\$ 52,363
041 - 500801	AUDIT FUND SET ASIDE	\$ 31,866	\$ 65,000	\$ 96,866
042 - 500620	ADDITIONAL FRINGE BENEFITS	\$ 30,354	\$ 0	\$ 30,354
059 - 500117	TEMP FULL TIME	\$ 275,459	\$ 0	\$ 275,459
060 - 500601	BENEFITS	\$ 180,933	\$ 0	\$ 180,933
070 - 500704	IN STATE TRAVEL REIMBURSEMEN	\$ 10,000	\$ 0	\$ 10,000

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072 - 509073	GRANTS FEDERAL	\$50,800,000	\$64,932,500	\$ 115,732,500
080 - 500717	OUT OF STATE TRAVEL REIMB	\$ 4,000	\$ 0	\$ 4,000
102 - 500731	CONTRACTS FOR PROGRAM SERVIC	\$ 750,000	\$ 0	\$ 750,000
Total Expenditures		\$52,178,853	\$65,000,000	\$ 117,178,853
Funding				
000 - 400338	FEDERAL FUNDS	\$51,852,062	\$65,000,000	\$ 116,852,062
00D - 488502	FED REV XFERS FR OTH AGENC	\$ 326,791	\$ 0	\$ 326,791
Total Funds		\$52,178,853	\$65,000,000	\$ 117,178,853

Funds are budgeted in the expense classes listed as follows:

Class 040 – Indirect Costs at a rate of 10%

Class 041 – Audit Fund Set-Aside at a rate of 0.1%

Class 072 – Contracts – Contracts to Subrecipients

EXPLANATION

BEA seeks to accept and expend an additional \$65,000,000 in Coronavirus Capital Project Funds (CPF) from the United States Department of the Treasury. These funds are a part of the American Rescue Plan Act of 2021 (ARPA). The entire grant amount is \$122,066,151, that will be available for use through December 31, 2026. Of that amount, \$51,728,530 of these CPF funds were previously accepted by BEA when approved by the Fiscal Committee on July 22, 2022 (FIS 22-247) and Governor and Council on July 27, 2022 (#55).

The Broadband Connect Program (\$40,000,000) was approved by U.S. Treasury on June 7, 2022. The funding will serve as the second round of the BCP program. The program is designed to fund an approved NH internet service provider (ISP) to provide internet service to the most rural parts of the state lacking internet service – areas where it would not be possible without CPF funds.

The Broadband Matching Grant Initiative, or BMGI, (\$25,000,000) was approved by U.S. Treasury on Sept. 8, 2022. This is the funding mechanism created by the Legislature in 2021 (Senate Bill 85) and amended by Senate Bill 445 in 2022. The program is designed to provide up to a 75 percent match to applicants to build broadband internet in unserved and underserved parts of a community.

Please note that the State is also statutorily entitled to additional funding for broadband build out as a result of the federal Infrastructure Investment and Jobs Act (IIJA), signed by the President on Nov. 15,

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2021. Upon exhausting the \$25 million for BMGI described in this item, BEA plans to seek the Committee's approval to accept and expend an additional \$40 million from IIJA funds for use under the BMGI program.

CPF is designed to fund broadband infrastructure that is designed to deliver reliable internet service that meets or exceeds 100/100 Mbps symmetrical speeds. The program also requires that the ISP takes part in the FCC's Affordable Connectivity Program (ACP) – a \$30 per month subsidy for low-income families – and that they provide at least one low-cost option at speeds sufficient for households with multiple users to simultaneously telework and engage in remote learning.

If Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Taylor Caswell', with a long horizontal stroke extending to the right.

Taylor Caswell
Commissioner