



Making Connections: The Role of Community Foundations in Broadband Projects

Now is an ideal time for foundations to engage in national discussions about how to extend the benefits of high speed Internet access to the entire country. The federal government has launched an unprecedented broadband funding program at a moment where both broadband and funding are sorely needed. Foundations can play an important role supporting their grantees' and communities' participation in both the national discussion and the federal funding program.

The Need for Broadband Access

Access to broadband in a community has become an essential tool for economic development. A three-year study from the U.S. Department of Commerce found that access to broadband increased overall job growth by 1 to 1.4 percentage points, at a time when job growth only increased 5.2 percent.ⁱ Additionally, 88 percent of people who have access to the Internet have used it as a resource to cope with the current recession.ⁱⁱ

Access to the Internet was key for fundraising, content sharing and grassroots mobilization in the 2008 presidential election. It plays an equally important role in civic engagement and community organizing on a local level every day. Increasingly, the Internet also contributes to health, education, public safety, and environmental sustainability.

The Internet is a Personal Economic Resources:

67% to Hunt for Bargains
41% to Search for Jobs
25% to Improve Job Skills
23% to Sell Personal Possessions
22% to Research Unemployment Benefits

Source: Pew Internet & American Life Project, 2009

According to the Pew Internet & American Life Project, home broadband adoption among adults has increased to 63 percent as of April 2009, but the price of broadband is also going up. Rates of adoption are persistently low among African Americans, Native Americans, Latinos, seniors, and people in rural areas. Pew has also found that the Internet is an enormous resource for people coping with the current recession, yet many people have had to cancel or cut back their service and some of the areas hit hardest by the recession have the lowest adoption rates.ⁱⁱⁱ For example, 41 percent of residents in Philadelphia have no Internet access at home, not even dial-up, while unemployment in the city has climbed to 11.1 percent.

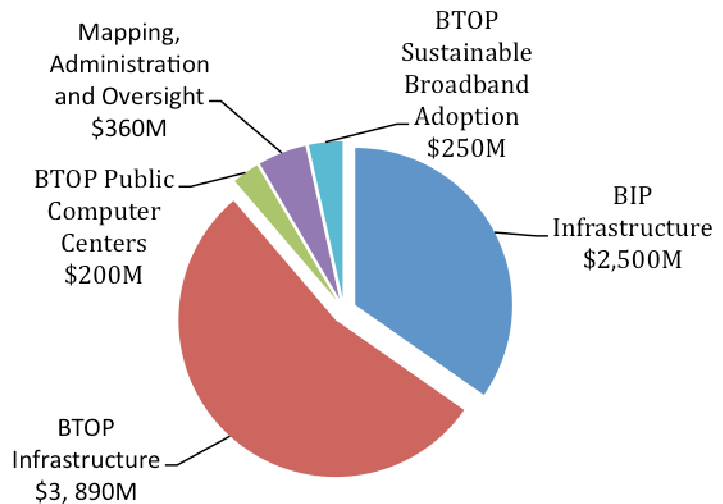
It does not have to be this way. The adoption and availability of broadband services is significantly higher in countries like Korea, Canada and France in the United States.^{iv} Across the country at a local level, municipalities, non-profit organizations, civic associations and small businesses have been innovating for over a decade addressing the challenges of providing people with Internet access and the skills and hardware to use it. Philanthropic foundations have played a catalyzing or facilitating role in many of these cases.

Current Broadband Opportunities

The American Recover and Reinvestment Act of 2009 allocated \$7.2 billion in funding to expand access to broadband services. The purposes of the funds are broad:

- Bring service to areas that are unserved or underserved;
- Bolster community support organizations, community technology centers, job training facilities, economic development institutions, and public safety agencies in their use of broadband; and,
- Create jobs, stimulate economic investment, and increase demand for broadband services.

How Does the \$7.2 Billion for Broadband Break Down?



Note that the vast majority of available funding is for infrastructure, though the amounts allocated for Public Computer Centers and Sustainable Broadband Adoption are still large. About a third of the available money was distributed in the first round.

Projects can meet one or multiple of these goals. The bulk of this money is available through a competitive grant process for infrastructure to connect community anchor institutions, rural end user access, expansion of public computer centers, and programs to promote broadband adoption. Infrastructure projects have the most stringent criteria, but the most funding is available in that area. The public computer center and broadband adoption areas are the most likely to fall within the current work of a philanthropic foundation. Foundations can facilitate modest, targeted applications for these funds.

However, such projects can only work if there is the infrastructure in place to back it up. The reason there are the three programs is that the federal government now recognizes that broadband access, hardware (like computers), and training are complementary. Foundations can play an important role bringing diverse stakeholders together to formulate a holistic vision for your community.

These new federal funding programs are administered by the National Telecommunications and Information Administration (NTIA) of the Department of Commerce. The Department of Agriculture's Rural Utility Service has a companion 25% loan/ 75% grant program for rural Last Mile infrastructure projects. The federal grants require the applicant match the grant with at least 20 percent of the requested amount. Larger matches will be more attractive to the NTIA and a minimum of 30% is recommended although entities with a demonstrated financial need can request a waiver of this requirement.

A second round of funding availability was announced on January 15, 2010. All funds must be awarded by September 30, 2010. In addition, there are other government grant making programs that can intersect with the broadband programs and a number of states and cities have launched their own broadband initiatives. It is important that foundations analyze and stay up to date on funding and policy opportunities in your program and geographic areas.

Federal Broadband Grant Program in Focus

Expected Grant Size for BTOP Round II

Grant Area	Funding Available	Expected Grant Size
Computer Center	\$150 Million	\$500,000 - \$15 Million
Sustainable Adoption	\$100 Million	\$500,000 - \$15 Million
Comprehensive Community Infrastructure*	\$2.35 Billion	\$5 million - \$150 Million

The first question many people ask is, how large are the individual grants? For the latest round of BTOP funding the NTIA has provided expected ranges for project funding, shown in the chart to the left. With any budget, however, it is important to demonstrate the financial need for the project budget.

*A glossary of terms is available towards the end of this document.

The recommended range can provide guidance but projects should focus on what size project is best for their community. During the first round, most requests for Public Computer Center grants were under \$1 million and most Sustainable Broadband Adoption requests were under \$3 million. First round Infrastructure requests varied greatly depending on the remoteness of the area to be served, the technology to be used, and whether the network was to provide service directly to residential customers.

The grant process is highly competitive. The appropriate grant request will be based on the applicant's capacity, the cost effectiveness of the proposed project, and the size of available matching funds (a minimum 30% is recommended). For the first round, applicants requested many times more funding than was available, and round two is expected to incite similar interest. A reasonable request and demonstrated community need are essential for a competitive application. See <http://www.newamerica.net/broadbandstimulus> for up-to-date analysis.

The **Open Technology Initiative (OTI)** formulates policy and regulatory reforms to support open architectures and open source innovations and facilitates the development and implementation of open technologies and communications networks.

During the first round of BIP and BTOP grants, OTI created the go-to resources for community organizations, foundations, and municipalities. OTI also provided on-the-ground support and technical expertise to partner organizations.

How Can Community Foundations Become Involved?

As an essential point of intersection for a community, foundations can play an important role in educating communities, gathering useful data, and supporting high-quality projects. Community foundations can serve as project anchors, bringing together diverse groups to create holistic visions for how broadband can benefit the entire community. The current federal grants program favors collaborative projects that extend technological connectivity to non-traditional combinations of stakeholders.

To become involved foundations can:

- *Gather information*
 - Learn more about the various broadband stimulus programs through the New America

Foundation's Open Technology Initiative's broadband stimulus resources at:
<http://www.newamerica.net/broadbandstimulus>

- Review the public database of proposals to learn about different projects and gather ideas for your own project or potential partnerships. Look for known and trusted organizations who can share their experience in preparing an application. Executive summaries from the first round of applicants are publically available at:
<http://www.ntia.doc.gov/broadbandgrants/applications/search.cfm>
- Support a community broadband needs assessment incorporating surveys and focus groups. The most qualified broadband projects will address a clearly documented need in a community. Because each region's characteristics are unique, your best resources will be local.

- **Raise awareness**

- Send an announcement to your grantees alerting them to the current federal grant programs.
- Convene a conference call of your grantees or a public forum to discuss the current opportunities, field questions, and promote collaboration. Include speakers with existing proposals and promising ideas, along with national experts.

- **Take leadership**

- Offer technical assistance to your grantees to help them understand the opportunities, conceptualize a proposal, and complete an application.
- Provide matching funds for quality proposals.
- Develop a collaborative application. You can use a Request for Information to gather proposal ideas from your grantees or potential partners.
- Apply to be a BTOP reviewer: The federal government is asking for volunteers to review proposals. You cannot have a conflict of interest with a submitted proposal, but you do not need to have technical or engineering expertise. Individuals with experience reviewing grant applications are excellent candidates. For more information on applying to be an application reviewer, go to: <http://broadbandusa.gov/reviewers.htm>



What is a "community anchor institution"?

In considering what type of institution should anchor community broadband infrastructure and services, the Recovery Act refers to "schools, libraries, medical and healthcare providers... and other community support organizations and agencies that provide outreach, access, equipment and support services to facilitate greater use of broadband services by vulnerable populations."

You may find it is easier to bring technological connectivity to a facility that already has strong community investment than to try to get a community to start engaging with a new technology center. Or these may be found in separate organizations that would do well to partner, one providing the services and one providing the trusted relationships with vulnerable populations.

In considering what constitutes an anchor for your community, focus on the value of an institution to local residents. To be successful as a public computer center, an institution must have more than computer terminals. It must be physically accessible, stay open outside of normal business hours, and have the cultural competency to support the intended user populations. Sometimes this means smaller, targeted centers rather than single, large ones. Keep in mind that the institution must have the capacity to administer a federal grant with significant evaluation and bookkeeping requirements.

What does it take to complete an application?

The current grant opportunities through the Broadband Initiatives Program and the Broadband Technology Opportunities Program require a diverse set of skills, from business planning to engineering to community engagement, not to mention grant writing. The lead applicant should have experience accounting for government grants; the Recovery Act imposes stringent accounting requirements. Foundations can apply directly. Before seeking outside technical assistance, you should convene local partners and assess what skills and resources you already have. Then seek partners to fill in the gaps. As much as possible, foundations should seek local partners that already understand and have a long-term stake in the community. See <http://match.broadbandusa.gov> for an online pairing system.

Just completing an application will take a lot of time and resources. The grants are highly competitive, so you should consider potential benefits of the application development process that go beyond federal funding, such as developing a cohesive vision for community technology or strengthening local relationships. BTOP is just one part of an ongoing national discussion about the future of information and communications technology.

Downtown Community Television Center in New York City knew it was a long shot when they submitted their proposal to partner with rural communities in Indiana and South Dakota that they first connected with 20 years ago when they produced a documentary on the two regions, but they thought it was worth it even if they did not ultimately get the \$384,250 they requested. "We really felt like we were putting forward an innovative idea. If we don't get it, we thought it was still important to put it forward for the future."

—Catherine Martinez, Managing Director, DCTV.

To turn an idea into a proposal, you need a team with specific expertise:

Writer who can tell the story of your proposed project in a concise and compelling manner.

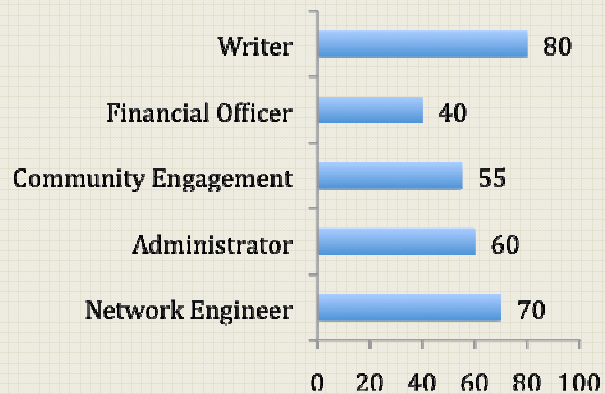
Financial Officer who can prepare budgets and assist with the development of the business model.

Administrator who can compile the required documentation, including licenses, contracts, and organizational charts.

Community Organizer / Evaluation Specialist who understands who you are trying to serve and how to measure success.

Network Engineer who can design and explain the technology behind your proposal.

Hours of Work Per Team Member



This work can happen in parallel, but it takes a good deal of coordination. This chart does not include the time of developing a shared vision across diverse stakeholders, which has to happen first. Public Computer Center and Sustainable Broadband Adoption proposals are simpler than infrastructure projects and do not require a network engineer.

Open Technology Initiative can help

OTI provides a range of technical assistance for BTOP/BIP applications and other broadband projects. Our partners include the City of Philadelphia, Native Public Media, and the Detroit Digital Justice Coalition. OTI will:

- ◆ Analyze existing policy opportunities.
- ◆ Draft your email announcement.
- ◆ Facilitate or speak at a forum, or find local or otherwise appropriate presenters.
- ◆ Conduct a community broadband resource and needs assessment.
- ◆ Review local and relevant round one proposals.
- ◆ Review local, state and federal policy opportunities and restrictions.
- ◆ Facilitate community engagement in key policy debates.
- ◆ Design and engineer broadband networks.
- ◆ Design computer center and related programs.
- ◆ BTOP application development, review, and grant writing.
- ◆ Conduct evaluation and due diligence.

“The expertise of OTI during this process proved invaluable, from the initial interpretation of the application criteria to enthusiastic community engagement and consultation on network engineering and technical design.”

– Allan Frank, Chief Information Officer,
City of Philadelphia

Glossary

ARRA - American Recovery and Reinvestment Act of 2009, also known as the Recovery Act or stimulus package, which allocated \$7.2 billion for grants to fund broadband projects.

BIP - Broadband Initiatives Program, a loan and grant/loan combination program administered by RUS for rural and remote projects.

Broadband – Defined by the NOFA as a connection to the Internet with speeds advertised as faster than 756 kilobits per second (kbps) downstream and 200 kbps upstream.

BTOP - Broadband Technology Opportunities Program, administered by the NTIA, distributes grants for broadband infrastructure, adoption, and public computer center projects.

Comprehensive Community Infrastructure - An infrastructure project focused on connecting community anchor institutions like libraries, community centers, schools, and public safety entities.

NTIA - National Telecommunications and Information Administration, a division of the Department of Commerce. The NTIA administers BTOP.

RUS - Rural Utility Service of the Department of Agriculture. RUS administers BIP.

FCC - Federal Communications Commission. An independent agency of the federal government charged regulating interstate communications such as telephone and Internet services.

“Last mile” – The network connecting to end-users, such a connection to a residence or small business.

“Middle mile” – A network providing a high-capacity connection but not connecting to end-users, such as a network connecting community anchor institutions. Last mile networks connect to middle mile networks that connect to the public Internet.

NOFA - Notice of Funding Availability, the mechanism by which the government announces grant opportunities. It contains all of the instructions and criteria for applications. For BIP/BTOP, the NTIA and RUS have issued a joint NOFA for one round of funding and plan to issue a second one in early 2010.

Public Computer Center – A program providing direct access to computers with Internet access. These can be in libraries, community centers, and other institutions.

Sustainable Broadband Adoption – Programs aimed to increase the use of Internet among a target population through providing equipment, training, and more.

"Underserved" – An area with modest or insufficient broadband infrastructure, making it prioritized for BIP or BTOP funding. The NOFA defines this term in detail.

"Unserved" – An area with no or minimal broadband infrastructure, making it prioritized BIP or BTOP funding. The NOFA defines this term in detail.

"Vulnerable population" - Groups such as people with low-income, the unemployed, children, minorities, seniors, and people with disabilities to whom Public Computer Center and Sustainable Broadband Adoption programs should be targeted.

Other Important Issues on the Horizon

The \$7.2 billion in broadband funding is just one step towards addressing communities' technology needs. There are a number of open policy questions at the federal level, including the disposition of the public airwaves, the consolidation of corporate ownership of broadband networks, and protections afforded to consumers of telecommunications services. The Federal Communications Commission is set to deliver a National Broadband Plan to Congress by March 17, 2010.

It is crucial that community foundations and their grantees contribute to these discussions in order to ensure that the results meet everyone's needs. Increasingly, new technologies and practitioner innovations can address local communications needs. The federal government should support these developments through policy reform and, where appropriate, direct funding. Because foundations see these innovations first and, in many instances, have figured out the best way to deliver targeted grants to spur them along, the philanthropic community has a vital role to play in national broadband policy.

For more information about broadband development stimulus and funding, or other public initiatives, please email the **Council on Foundations** at partnership@cof.org. The official website of the **Broadband Technology Opportunities Program** is <http://broadbandusa.gov>. For more information about the **Open Technology Initiative** and the services we provide, see <http://oti.newamerica.net>. This pamphlet was provided through the generosity of a grant from the **John S. and James L. Knight Foundation**.

Through its **Public-Philanthropic Partnerships Initiative**, the Council on Foundations acts as an intermediary, representing philanthropy to the administration and conveying information from the administration to philanthropy. The Council provides connections, convenings, communication, and capacity building for members participating in these partnerships. It represents a cross-section of philanthropy and is fundamentally prepared and able to serve as conduit, bridge, and capacity builder for its members.

End Notes:

ⁱ U.S. Department of Commerce, *Measuring Broadband's Economic Impact*, (February, 2006); available at: <http://www.eda.gov/PDF/MITCMUBBImpactReport.pdf>

ⁱⁱ Pew Internet & American Life Project, *Internet and the Recession*, (available at: July, 2009) available at: <http://www.pewinternet.org/~media/Files/Reports/2009/The-Internet-and-the-Recession.pdf>

ⁱⁱⁱ Home Broadband Adoption 2009 <http://pewinternet.org/Reports/2009/10-Home-Broadband-Adoption-2009.aspx>

^{iv} OECD. Pew Internet & American Life Project, *Home Broadband Adoption 2009*, (June, 2009); available at: <http://www.pewinternet.org/~media/Files/Reports/2009/Home-Broadband-Adoption-2009.pdf>