You can have the most incredible, awe-inspiring broadband network solutions that enable subscribers to walk on digital water. But if you can’t effectively market your solution to the right people in the right way, it matters not how great it is.

Probably the most important marketing document is your proposal for federal grant funding for broadband, telehealth, digital inclusion and various digital infrastructure and services solutions. Your proposal can be the key that unlocks millions of dollars, the financial means for your community to create something that hasn’t been experienced before.

This isn’t a grant writing guidebook. Rather, this document helps you design a foundation that enables your community to create something great. It gives you valuable tips and recommendations, plus the benefit other communities’ experiences. These pages also reflect lessons learned through many years of hightech marketing.

Imagine Federal funders tired after looking through reams of paper describing speed and feeds when BOOM! They read about your community’s dream to transform healthcare, to become an economic Mecca in the urban or rural wilderness, a shining digital city on a hill. These evaluators, by funding your proposal, get an opportunity to become part of the dream.

Many funding programs covered are skewed heavily to infrastructure projects, so this guidebook emphasizes these types of projects. However, much of the advice here is applicable for pursuing grants targeted to broadband-related or digital projects. It can easily make sense to mix and match the various grant programs based on your funding needs.

sponsored by:

**ETI Software**: Helping you make happy subscribers, save money, and deploy next-gen services faster.

**Transcending Healthcare** is a telehealth systems integrator that assembles the best technology resources to transform healthcare, while assisting healthcare providers with virtual visits and remote patient healing.
This guide emphasizes five areas:
- Selling the goal is key;
- Proper previous planning gives proposals an edge;
- Grab your partner for the digital dance
- Broadband & telehealth is a winning combo
- Funding beyond the “Usual Suspects”

**Know Your Grants**

There are over 15 agencies with grants that fund broadband, telehealth, and broadband-related education, and digital projects.

Every fiscal year, which runs from October 1 until September 31 of the following year, these agencies disperse grant money. There are several categories of grants that you should be aware of as you prepare your proposals.

**Grant Categories**

- **Start-up grants**, which also might be called “seed money”, are limited to the cost of building infrastructure (these can be in the millions of dollars) or getting service programs such as digital training ready to open the doors. These do not cover on-going operations costs. Often these entice financial commitments from other sources.

- **Project grant funds** are for a specific programs or projects that can cost a few thousand dollars or more, such as the FCC’s emergency COVID-19 telehealth grants that were from $5,000 up to $1 million. Many of these grants are for one-off projects such as adding a wing to a senior citizen center for digital training.

- **Operating grants** cover the costs for on-going programs. Many times these monies are for activities and services already in operation that communities, co-ops and other ISPs want to significantly expand, which may mean funding for personnel, infrastructure or services.

- **Restricted grant funds** are for a specific part of a program or project. Sometimes these are the smaller agency grant programs, anywhere from a few million dollars a year up to $50 million or $60 million annually. Some of these grants are limited to a handful of states.

- **Matching grants or “challenge match” grants**. Several agencies have “match” requirements in which some percentage of the grant has to be matched by another entity. With the challenge match, an entity (e.g. a local chamber of commerce, a university) offers a certain amount if a group raising money can find a federal or state agency to offer a matching amount. For example, a large church may offer $5000 for a telehealth center if the Federal agency will match it with $5,000.

- **In-kind grant** (also called a non-cash grant) is when an agency will allow a contribution of goods to take the place of a matching dollar amount. For example, if Agency Y requires a community to contribute 20% of the project budget ($1,000), the agency may allow of a local office furniture store to donate an “in kind” contribution of $1,000 worth of desks.

- **Block grants** shifts grant distribution and management off to the states who in turn shift these responsibilities to the cities. An agency uses a formula to divvy the amount of their total grant budget proportionately among the states. Each state has its own plans, rules, and compliance procedures for how they allocate the monies to a city or county jurisdictions. The jurisdictions determine which local entities receive awards.
SELLING THE GOAL IS KEY

Thomas Kamber, PhD, Executive Director of Older Adults Technology Services (OATS) in Brooklyn, NY guided his organization to win a digital inclusion grant in the broadband stimulus program that “helped seniors learn and use technology so they could live better in the digital age.” He learned a critical lesson that holds true today for any broadband or digital inclusion grant recipients.

“Your main goal shouldn’t be simply to win the money and spend the money,” Kamber says. “Have a goal to build something that is on-going as it achieves tangible good for communities. Generate revenue and outcomes by building an infrastructure within the community. Build an ecosystem with local partners. And be sure to create and retain community intellectual property.”

Kamber and his team went up against a slew of competitors. He believes their vision, inclusiveness, and forward looking helped them stand out. Kamber believed - and still believes - selling the goal.

I wrote at the time a statement: “At some point, your proposal is going to sit in front of a tired, blurry-eyed federal employee who has more proposals with the same technology, similar engineering designs and the same goal as yours, but this person may only be able to fund one that day. All other things being equal, the ability of your opening sentence to grip the imagination and stir the heartbeat of the reader plays a big role in raising your proposal above all others. Good marketing people live by opening sentences that grip and stir.”

How do you your opening lines to grip and stir? The creation orientation.

“You can impress the committees evaluating grant applications by offering turnkey health care service delivery capabilities as opposed to ‘just plumbing’ for broadband,” says Mark Noble, senior vice president of business development for telehealth vendor ViTel Net.

For government loan providers, such as the U.S. Department of Agriculture, “impress them with the significant impact telehealth delivers to the network itself,” says Noble. “The municipalities and co-ops can offer higher-value, over-the-top services to care providers and patients, thus expanding their ARPU [average revenue per user], and make their bids for grant dollars more attractive.”

Creation Orientation Draws More Dollars Than Just Problem Solving

People use the problem-solving approach often when they want something go away. “Our broadband sucks!” “The hospital that treats low-income residents closed, now what do we do?” “We need to make digital disparity disappear.” Trying to solve the problem can get contentious. The problem might not even get fixed. Or the original problem comes back when the money runs out.

The problem-solving approach sometimes fosters a mindset of “Just build it (fix the problem) and network subscribers, people needing training, or parents with sick kids automatically will come!” Or “Build ‘x’ number of towers, lay so many miles of fiber and we’re done.” And best of all, “Give large incumbents truckloads of tax dollars and they will somehow magically generate customers.”
In the creation orientation, your goal is to create something that didn’t before exist. That “goal” is what you sell to agencies that have grant funds that can make your goal a reality.

Your goal creates excitement, a different way of thinking about the tasks at hand that leads to more effective broadband projects. That document can state you want to lay some fiber infrastructure, or the community can paint a picture of how to transform the county into the Silicon Prairie of the Midwest.

Chattanooga created the first program of its kind in the country to take over 28,500 low-income school children across the digital divide at no charge. Pottsboro, Texas raised $20,000 to become a role model as the first library in Texas, if not the US, to transform its facility into a telehealth center. One of the first organizations awarded FCC’s CARES Act money was Neighborhood Family Practice of Cleveland, OH, which was funded $244,000 to bring the first telehealth programs for low-income families in the city.

The great thing about creating a strong goal is that you can use that goal to rally your organization, your city, and other funding groups because everyone wants to be part of something that’s new and creative. They want to contribute to this creation and they want to bask in the glow of the community accomplishment.

You Don’t Have to Build It All at Once

Think big and sometimes incrementally. Some communities set themselves up for failure by assuming they have to do a massive project in one fell swoop that also comes with a huge bill of execution.

It can be more financially advantageous or necessary to breakdown down your main goal into manageable segments of the project. Or your project may be part of a bigger project. There’s nothing wrong with taking longer to reach your ultimate goal, specially if you regularly reiterate the benefits to the community.

“It’s estimated to cost something like $4 million to build citywide broadband infrastructure in Pottsboro alone,” says Pottsboro Library Director Dianne Connery. “Most of the grants I have reviewed are just a tiny fraction of this, so I’m constantly on the lookout for funding opportunities in support of the broadband goal.”

That said, everyone in town is excited about the telehealth project and the opportunity to create a healthcare delivery facility in the center of town. Connery is finding this particular goal is inspiring colleagues to create something bigger for the state of Texas. She says, “All of us just started coming together and saying, ‘libraries are a natural fit for telehealth, especially rural libraries.’ So how can we each own our piece of the equation?”

Never forget the creation orientation. Everybody wants to be part of a really cool dream. And typically they understand the way to the main dream may have mini-goals along the way.
PROPER PREVIOUS PLANNING GIVES PROPOSALS AN EDGE

Severe urgency surrounding both the 2009 and 2020 broadband funding sprees often led to a planning strategy of “Ready! Fire! Aim (maybe)!“ among towns, cities, and counties receiving funding. In 2009 the U.S. was on the verge of a major depression, and this year we are in the throes of a pandemic. Any previous planning for recipients ranged from stellar to “A hope and a prayer.” A byproduct of the American Recovery and Reinvestment Act, the $7.2 billion broadband stimulus program produced 2200 applications processed from every state totaling $28 billion in requests. The Department of Commerce through their Broadband Technology Opportunities Program (BTOP) and the US Department of Agriculture via their Rural Utility Services (RUS) had to disperse the money within about 18 months.

Though the catch phrase “WTH” had not been coined yet, it was pretty much the watchword that defined this incredible time.

COVID-19 redefined federal government spending for technology, particularly broadband, distance-learning, and telehealth. State and local governments across the country split $150 billion in federal aid under a provision of the Coronavirus Aid, Relief and Economic Security (CARES) Act, passed on March 30th. Every state was guaranteed $1.25 billion.

It will probably be months before we are able to sort out how much of these funds were spent on technology projects. But given how much broadband was impacted nationwide, the percentage for technology had to be huge. Also, while only two agencies dispersed stimulus dollars in 2009, most of the federal agencies had a hand in distributing CARES money.

History could repeat itself winter 2021. Congress is pushing hard to pass another stimulus package, call it “CARES 2.” All those folks who missed the first round don’t plan to come up short the next round.

Furthermore, various members of the US Senate and the House are proposing to spend $102 billion (and counting) for broadband, telehealth, distance learning and a myriad of digital inclusion devices, gadgets, and training. But the following interview highlights where our planning game can be better. Forewarned is forearmed.

Setting the Table for Your Broadband Funding Proposals

This section is excerpted from my April 16, 2020 interview with John Campbell on my Gigabit Nation Internet radio show.

OpenCape, the public broadband network for the Cape Cod area of Massachusetts, was the go-to poster child for successful broadband planning because these folks were ahead of the stimulus, and subsequently they successfully won a grant. These days, Campbell sees four things that currently challenge the way communities plan for broadband grants.

Campbell says, “Telehealth is huge! But you can’t participate in telehealth if your area is unserved or underserved with broadband. Or if your constituents can’t afford broadband, a mobile device or a monthly broadband plan.” One group of U.S. Senators alone are poised to allocate $2 billion just for telehealth. But how can you plan for telehealth success when you have no clue about broadband planning.
One possible avenue to help bridge the knowledge gap might to include in your proposal one-page cheat-sheets. If you’ve been getting telehealth funding and you want to get a broadband ISP partner to add a dimension to your proposal, some of your new funding sources may not be familiar with telehealth. The cheat sheets at least helps them understand least the basics of telehealth so they can give your a fair shot to your idea.

Education put a big strain on planning. Many K-12 students bounced from “Everybody go home” to “Alternating in-person school days” to “What’s next?” 50% of K-12 students in big cities don’t have Internet at home. Plenty of homes are hard-pressed to have enough computers when parents, grade school kids and college students are all at home. And If everyone is home all the time, how can network capacity keep pace?

A third factor impacting planning is the number of people working from home. “I think we’re not going to put the genie back in that bottle,” says Campbell. “A lot of people and companies haven’t figured out if they’re going to work at home long-term. That’s going to impact decisions they make such as renting, leasing or buying computers, internet contracts, and all those things.”

While there are factors that make broadband planning challenging, forces are converging that also could make lots of money available for broadband. Campbell observed, “COVID-19 caused a huge spike in Internet usage. Broadband providers are always planning ahead, building capacity for the future. Home Internet usage has consumed that capacity. We’re hitting the cap.” Depleting broadband capacity plus the economy being in tatters because of the pandemic set the table for a huge stimulus spending, and broadband likely will be a beneficiary.

Again, if you’re dealing with funders who haven’t been schooled in particular technologies (for example, cloud computing, IoT technologies, or the importance of data centers), a cheat sheet or two could help funders understand the uniqueness of your proposal. Communities have to plan ahead for grant reviewers not being expert in all elements of technology.
GRAB YOUR PARTNER FOR THE DIGITAL DANCE
This is taken from my Daily Yonder article, Coronavirus Accelerated Funding for Broadband, Now Partnerships Need to Catch Up

In this hunt for federal broadband dollars, it is important to have a good partnership strategy. Communities have to deal with a myriad of technology issues, especially if you’re going after telehealth or broadband-assisted education funds.

For example, telehealth is not possible without broadband but the folks generally driving these proposals don’t have expertise in broadband, cloud computing, data centers or IoT. Communities that are focused heavily on building broadband and are considering telehealth delivered by that infrastructure likely don’t have a lot of expertise in healthcare delivery systems.

Broadband for schools has been fairly easy to deploy because all of the technology is concentrated into school campuses. When the pandemic hit, school districts had to deal with questions about distance learning. How do you make sure students at home get on the Internet while keeping the core educational systems up and running?

These scenarios, and scenarios yet to be developed, call for technology partnerships. It’s going to require a lot work in a short period of time. If you haven’t started the technology partnership dance, you’re probably already behind.

The pandemic dramatically exposed the country’s digital divide. So billions of dollars went to broadband, telehealth and other technologies nationwide in just six months. Partnerships are key to success with technology deployments, but there wasn’t much time to do the partnership dance between communities, co-ops, ISP, vendors and other organizations.

In many cases, things worked out well. “Itasca County just approved funding that will go to Paul Bunyan, an awesome telephone co-op in northern Minnesota”, says Ann Treacy who works at the Blandin Foundation. “Dakota County partnered with Hiawatha Broadband Communications, an ISP well-known for great work.”

There are warning signs as well. Deb Simpier, CEO of Althea, recounts, “An Oregon county lined up an ISP for CARES funding with no formal RFP or solicitation of proposals though it is a $1 million buildout. Is that even legal? The CARES Act funding is required to be spent before the end of this year. What happens if the ISP can’t finish and the government won’t pay them?”

A Run for the Roses
Currently many in Congress are lobbying for a CARES Part 2, another $1 or $2 trillion of which much will go for broadband and other technologies. Politics is fickle and nothing is assured, but hope springs eternal among those with digital dreams. Campbell believes communities these days need to be pushing partnerships into play ASAP.

“One of the reason we were successful is that we had begun grassroots planning for a regional network long before the stimulus act came to be,” says Campbell, “You need to be planning now, urgently, for that next round of grants that is likely coming early next year. Get a head start on it. The more you know, the better prepared you are, the more successful your grant application will be.”

Communities probably can’t go wrong partnering with entities that can bring cash and the ability to bring in more cash.
“Appalachian Regional Commission (ARC) recommended we find a private partner to work with us while we located public funding” says Cheryl DeBerry, Natural Resources Business Specialist for Garrett County, Maryland. Ultimately ARC became that public funder. “The County matched ARC’s funding of $250,000 for each grant. Our ISP partner, Declaration Networks Group (DNG), invested their own money to the county and that was their skin in the game.”

DNG got 1000 homes and businesses connected. Since there are seeing good ROI so far, they are pursuing additional grants. DeBerry says, “They went through a reverse auction with the FCC and won a USDA Community Connect grant. Now they have additional federal funding that matches whatever they have to extend the network in the County.”

Partners within communities also are critical. They reinforce for funding agencies the depth of a community’s needs as well as the project’s likelihood of success. Are the Chamber of Commerce and churches on the broadband team? Their participation can drive broadband adoption. Library and schools can turn the tide for telehealth adoption.

**Technology Partnerships and the Age of Telehealth**

The Daily Yonder wrote in October, “...telehealth isn’t much of a solution if rural residents don’t have access to the broadband internet services. While government officials and companies throw equipment and money into telehealth, what’s really needed is roll out of rural broadband infrastructure.”

One technology partnership that needs to happen is between communities, broadband vendors and telehealth service providers. The FCC, has $1 billion for telehealth and healthcare providers that boosts broadband in healthcare facilities and home telehealth equipment. But without connectivity between the facilities and the home, a community has only a partial solution.

Consider telehealth services that use cloud computing to deliver services to seniors, student in K-12 schools, a couple of clinics in low-income, local doctors and a main hospital that’s 50 miles away. There are fiber and wireless network infrastructure that need to be integrated with a small data center, and deployed for free or sold by an ISP in a 20 square-mile town. Finally, you’re considering the FCC, the USDA and Health & Human Services for funding. How do you keep these players on the same page?

“Prepare to keep communication flowing between the partners by constantly breaking down each partner’s information silos as it pertains to the project,” says Cameron Broadnax, Principal at Transcending Healthcare, a telehealth systems integrator. “Keep everyone focused on the needs of the community as well as the needs of the granting agencies.”

At every opportunity in the document, have the partners explain why are they are the best at meeting the community’s needs as identified in the proposal. For those agencies more experienced funding broadband than telehealth projects, address how the medical and healthcare staffs’ needs are being met.

Broadnax advises, “The proposal needs to address the growth potential of each partner’s role. As the project gets implemented, constituents will find more uses for the infrastructure, applications, and so forth. Funders are not just buying some technology, the partners are growing the technology’s contribution to constituents’ future connectivity, education, or healthcare.”
BROADBAND & TELEHEALTH IS A WINNING COMBO

The great thing about marketing is that it works. Telehealth is a market and a marketing (sales) opportunity for community broadband networks. On the local level, telehealth is a great app to entice network subscription because everybody gets sick, or has to deal with a family member or friend who needs medical attention. And telehealth does not work without broadband.

Telehealth isn’t just chats with physicians. Telehealth means using intranets and Internet networks to observe, diagnose, initiate or otherwise medically intervene, administer, monitor, record, and/or report on the continuum of care (CoC) - everything that’s done to get you healed. As a result, there are many prospective telehealth users, as COVID has shown us. Telehealth claims increased 4,347% nationally, from 0.17% of medical claim lines in March 2019 to 7.52% in March 2020.

Congress and federal agencies are ready to spend billions of dollars on telehealth and broadband. The universality of the need for telehealth, its dependency on broadband, plus the lack of telehealth and broadband in low-income, unserved urban and rural communities means grant proposals that address both technologies directly or indirectly should be seriously popular.

Expect many agency grant reviewers to give serious consideration to the potential financial viability, success, or even just the survivability of these “combined” projects. Communities should have great Needs Assessments sections with strong verifiable demographic stats. And not just infrastructure proposals, but technology training, technology adoption, and digital literacy can be enhanced with telehealth.

If the government billions don’t impress community broadband owner much, they still shouldn’t leave money on the table for various community stakeholders. Maybe state agencies and local nonprofits can leverage various healthcare outcomes into money that pays for broadband. Remember, make the outcomes the goal and sell the goal!

According to the Centers for Disease Control and Prevention (CDC), six of 10 people in the United States have one chronic disease, and four of 10 people have two. That’s a significant target market for broadband providers in partnerships with telehealth and local health care providers.

Telehealth can reduce unnecessary visits to the ER. A recent BlueCross BlueShield of North Carolina newsletter stated, “A recent study indicated that treating many of these ER non-emergencies at urgent care or retail clinics could save $4.4 billion.” Possibly big savings for the community and county government.
Telehealth can retain and draw doctors and medical professionals to the community. In a recent national survey, Twenty-six percent of survey respondents feel this would have a definite impact on the local economy, and 26% are willing to test the assumption.

Communities can use telehealth so mental healthcare services stay local. According to a Scientific American blog, depression in America costs society $210 billion annually. For every dollar spent treating depression, $4.70 is spent treating related illnesses and $1.90 is spent for lost work productivity and suicide.

**Telehealth Strengthens Community Anchor Institutions**

People in the broadband space probably are familiar with the term “anchor institutions.” A community can use broadband infrastructure to link healthcare facilities, libraries, and schools into a network “hub”. These anchors of concentrated bandwidth power broadband throughout the network to residents and businesses. Consider these anchors tenants similar to the big-box stores in a mall feeding customers to the smaller stores.

Add telehealth to these anchors, and 1) you get additional points of healthcare distribution throughout the community, and 2) potentially more grant money for the hubs and resident/business connectivity.

Connery applied for a $20,000 grant from the Network of National Library of Medicine to launch a substantial telehealth program. The Pottsboro Library is creating and soundproofing a room within the structure, and adding monitors, good lighting, and enhanced Internet capabilities. In January they’ll have patrons regularly connecting with their doctors.

On the school front, one of the first school districts to use telehealth was Sevier County School System in Tennessee. The biggest healthcare challenge they faced was stopping the spread of communicable illnesses that resulted in school closings. “In some winters, the flu could affect as causing entire schools to shut down in an effort to slow the spread of the flu,” explained on Don Best, Coordinator of School Health for the system.

In 2009, as many as 20 percent of 14,000 students were out with the flu. Their telehealth solution used video-conferencing hookups and USB-compatible devices for quick exams and recording vital signs. In eight years there were over 11,000 telemedicine encounters, and they’ve gone years without a school closure due to influenza.

Before COVID-19, the school district started treating parents, some of whom did not have insurance. The medical practice that partnered with the district charges those without insurance on a sliding fee scale.

Enabling libraries and schools to join with healthcare facilities gives communities potent telehealth delivery capabilities. And for that reason, communities can tap into more funding sources. The potential for fulfilling more dreams increases.

**Bring it Home With a New Kind of Broadband Triple Play**

An engineering design team can create a wired and wireless hub that links all three groups of institutions into a mini network and add a number of telehealth applications and services. The community can apply for the FCC’s E-Rate fund, for example, that facilitates broadband in libraries and schools. The FCC’s $1+ billion Rural Healthcare Connect Program (RHCP) goes to healthcare facilities. If these anchors already are wired, you easily can add to the infrastructure.
Those pursuing E-Rate have to front the buildout costs, then get reimbursed. Libraries and schools can amortize their contribution to the network over four years. If the project costs one million dollars, for example, and E-rate reimburses $900,000 of the buildout cost, libraries and schools would pay $25,000 a year for four years.

The FCC can reimburse up to 90% of broadband infrastructure that facilitates school and library operations. RHCP subsidizes healthcare providers in rural areas for high-speed broadband connectivity, telecommunication services, and new construction, or the rural hospitals can partner with the urban hospital as long as at least 51% of the participants are rural based. The FCC can pay up to 65% of the project cost; the community has to provide matching grants.

Needless to say, Health & Human Services can be enlisted to drive telehealth and healthcare projects. There are several other federal agencies that can work the technology Dynamic Duo. The Department of Agriculture’s Rural Utilities Service (RUS) is well-known for its large loan program that helps entities build broadband networks. They also have the Distance Learning and Telemedicine grant program devoted to areas that already have broadband.
FUNDING BEYOND THE “USUAL SUSPECTS”

You never know where the next inspirational grants will come from to round out a community’s digital budget. It may be a Federal agency has yet to fund a specific digital initiative. It could be a state agency or a community foundation that fits into the mix. The same way that you don’t have to create it all, all at once, you don’t have to fund your initiative all from one source.

The U.S. Department of Transportation is not in the business of funding broadband networks. It is, however, in the business of helping cities build, manage, use and maintain better streets and freeways. Bring them plans to better use streets and freeways, and DOT will listen.

Several years ago the city of Columbus, Ohio, got a grant from DOT for almost $8 million to replace its aging, proprietary traffic signal systems with a more flexible system built on the backbone of fiber optic cable and wireless communications technologies. The city contributed $750,000 but got citywide broadband infrastructure that could enable a myriad of uses, plus they could expand the infrastructure. The city invited competitive providers to offer broadband to homes and businesses.

Communities nationwide are creating broadband networks, telehealth applications, and various digital solutions to solve specific problems. The needs assessment process is all about identifying what kinds of person or organizations want the product or service, how many of them are there, and where they are located. If there is money available, do a survey because the more data you have, the better a digital solution will be.

When a community does a thorough needs assessment, also identify government agencies, nonprofits, foundations, local businesses with spare capital, wealthy individuals and others that have available funds to help solve similar problems you can use technology to resolve.

Bits, bytes, conduits and fiber wires are just concepts. A lot of funding organizations don’t care what the technology does. Many people cannot tell a gigabit from a giraffe. What they care about most is whether it answers the needs of the community, the school district, your seniors as they age in place. Sell the solution – what it is you’re hoping to create. The technology happens to be the enabler.

Once the community has the solution, they can determine what other solutions they can create. Some of those solutions and projects might lead to revenue generation so the municipality or co-op expand digital services. Success breeds success and makes additional grant funds easier to obtain. Financial institutions, too, are more inclined to make loans when recipients have several sources such the foundations to bring to the table.

Opportunity Zones

While there are many reasons to laud the aggressive way in which Federal agencies are attacking the digital divide, one area of disparity has to be addressed.

12 million urban homes lack access to the Internet (three times as many as rural residents), and millions more have inadequate broadband or they can’t afford the broadband that’s available. 75% of
these residents are African American or other people of color. Besides working for parity in Federal broadband spending, we must find supplemental sources of funding.

FCC finances broadband through the $20 billion Rural Digital Opportunity Fund but no urban fund. They award $4.15 billion for broadband in schools that’s weighted to rural. Their Rural Heath Care Program has over $1 billion, while the Senate wants to add another $2 billion. Where’s the urban healthcare parity?

Opportunity Zones could hold the key to significant increases in urban broadband spending.

Opportunity Zones were created by the Congress in 2017 to ultimately drive capital into a distressed areas of a community. States may designate up to 25% of low-income census tracks as Opportunity Zones. There are more than 8,768 zones in the 50 states and the five US possessions including Puerto Rico.

The idea is, let’s say that Investor X has done very well in the market over the last couple of years and has a lot of capital gains. Those capital gains are obviously taxable and that taxable income is going to end up in the government’s hands.

Ron Kresha, Community Strategist at Gold Shovel, explains, “What the Federal government is saying with opportunity zones is, rather than taking those capital gains as ‘taxable income’ with the money flowing through to the government, let’s allow you to invest in a fund for a distressed high-poverty community. If you put your money in this fund and leave it there for 10 years, the government will collect no taxes on that.”

If a large percentage of their gains are going to be taxed anyway, why wouldn’t some of them take those gains, keep the tax money and roll it into essentially a tax-free 10-year hedge fund that is investing in communities? This is an opportunity to make the pitch to well-heeled constituents, don’t send your money to Wall Street, why not invest it here?

“Suppose I’ve got $100,000 and on that I’ve got a capital gains of 25%,” says Kresha. “So $25,000 would typically go to the government. In an Opportunity Zone, that $25,000 stays here and continues to work as an tax-free investment.” That gain is deferred until the investment is sold or on December 31, 2026, whichever comes sooner. In an investment is held for at least 10 years, the investor may be able to permanently exclude their gain.

Editor and publisher of the BroadbandBreakfast, Drew Clark, believes these are under-appreciated resources. “The significance of the Opportunity Zones investment vehicle has been slow to dawn on developers and broadband advocates. But many in the broadband development space now see the opportunity zones regulations as one of a handful of new government-supported investment vehicles providing stimulus toward greater broadband investment.”
IN CONCLUSION

At the core of it, your community is using various digital technologies to create a needed service, a connection or a multitude of connections, a bridge over the digital divide. Since the grant proposal is the magic key that can open up many money resources, consider it your most important marketing document. It’s more than a bunch of boilerplate text.

“Network investment decisions have historically been driven by the balance sheet,” said Pete Pizzutillo, Vice President of Sales/Marketing at ETI Software. “Now it is becoming more about quality of life and economic development. From telemedicine to distance learning, broadband network access is becoming an essential utility service.”

Remember:

You never get a second chance to make a good first impression – sell the goal!

There probably won’t be enough time to plan – do what you can.

Your community can’t do it alone.

Everybody gets sick. Broadband and telehealth touches everyone.

Round up the usual suspects – and then some.