



New York State Comptroller  
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Economic and Policy Insights

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# **New Federal Dollars for Broadband Deployment**

July 2023

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On June 26<sup>th</sup>, the Biden Administration announced that New York will receive nearly \$665 million as part of recent federal investments to improve broadband data, affordability, access and availability. As the Office of the State Comptroller reported in 2021, compared to other states, New York has made great progress in deploying broadband; however, reliable high-speed service is not available in some parts of the state, particularly in rural areas. New federal funds present an opportunity for the State to improve the availability of reliable, high-speed service to unserved and underserved areas, and the State must now craft a plan that is ambitious, actionable and accountable for meeting this objective.

## Greater Data Precision for Mapping the Availability of High-Speed Connections

As [reported](#) by the Office of the State Comptroller in 2021, New York ranked second in the nation with 98.7 percent of the population living in areas served with broadband in 2019; however, there were several shortcomings in the data that suggested nearly universal availability. First, the data, which were compiled by the Federal Communications Commission (FCC), used a methodology which overstated coverage, particularly in rural areas.<sup>1</sup> Second, the FCC's coverage rate was based on a speed standard of 25/3 megabits per second (Mbps), a standard widely held to be inadequate for modern multi-user demands within a household. While the FCC reported at least one provider offering high-speed broadband of at least 250/25 Mbps at nearly the same rate (98 percent), many New Yorkers found their service to be unreliable or unaffordable.<sup>2</sup> These widely acknowledged issues led to new federal and state programs designed to improve broadband data collection and quality: the federal Broadband Deployment Accuracy and Technological Availability (DATA) Act of 2020 and New York's Comprehensive Broadband Connectivity Act of 2021.

In June 2022, the FCC launched a new Broadband Data Collection (BDC) program requiring providers of fixed and mobile broadband internet to file broadband availability data down to the serviceable location (rather than the previous method of focusing on a census tract) by September 1, 2022. In November 2022, the FCC launched a [National Broadband Map](#) that displays the availability of fixed and mobile services at a variety of speed levels at an address or location, a more granular perspective than previously available. To help improve the accuracy of the map, stakeholders were encouraged to challenge the map data.

Enacted as part of the State Fiscal Year (SFY) 2021-22 Budget, the Comprehensive Broadband Connectivity Act of 2021 defined high-speed internet to be at least 100/10 Mbps. A location is considered "served" when it has at least two service providers, one offering high-speed internet.<sup>3</sup> This service standard goes beyond that currently set by the FCC.

The Act also directed the NYS Public Service Commission (PSC) to undertake its own mapping effort, resulting in the release of the New York State PSC Broadband [Map](#) in June 2022, which helped the State challenge the FCC broadband data by submitting more than 31,000 missing or underserved locations.<sup>4</sup>

These efforts have resulted in greater precision at the local level. As shown in Figure 1, availability rates at 25/3 Mbps speeds declined slightly as compared to prior FCC reporting. At 100/10 Mbps, the PSC reports 97.4 percent service while the FCC reports 95.9 percent. Discrepancies may be largely due to factors like the different time periods and methods for collecting data.

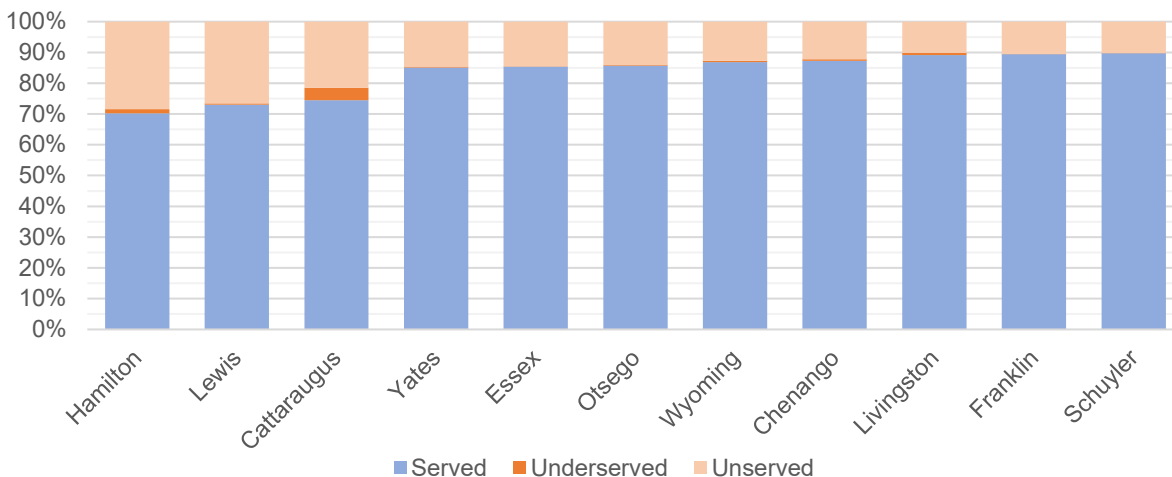
**Figure 1**  
**Broadband Availability in New York Under Different Reporting Metrics**

	FCC Deployment Report	FCC Broadband Map	PSC Broadband Map
Data Release Date	12/31/2019	6/30/2022	8/11/2022
Location Fabric	Census Tract	Address/Location	Address/Location
Availability in NY at:			
25/3 Mbps	98.7%	97.9%	97.5%
100/10 Mbps	N/A	95.9%	97.4%

Sources: FCC, Fourteenth Broadband Deployment and Broadband Data Collection; New York State PSC Broadband Map

The statewide numbers mask disparities in county availability rates, which range from 70 percent of locations served in Hamilton County to 99 percent in New York City. As shown in Figure 2, the areas with the lowest service rates are predominantly rural. This is generally consistent with national trends: less dense rural regions may not generate a sufficient revenue stream to support deployment costs from the private sector while still allowing for affordable subscription pricing.

**Figure 2**  
**Broadband Availability in Counties with Lowest Rates of Addresses Served**



Note: Counties with share of locations or addresses served under 90 percent. Underserved addresses have less than two providers or providers that offer at least 25 Mbps but less than 100 Mbps. Unserved locations have no services offering at least 25 Mbps.

Source: NYS PSC Broadband Map

# Federal Resources for Broadband Increased

Stay-at-home orders during the pandemic exposed the struggles many families experienced when work, school, healthcare, and commerce were thrust into an online environment and emphasized that reliable, high-speed internet is imperative for equality of opportunity. Federal COVID-19 relief legislation provided new resources to address acute challenges, and New York received more than \$880 million under pandemic-era programs. In addition, New York has been allocated \$725 million in federal infrastructure funds for broadband, for a total of \$1.6 billion in new federal funding.<sup>5</sup>

## Pandemic Programs

While the Consolidated Appropriations Act of 2021 included several programs related to broadband, New York received little in funding from these programs.<sup>6</sup> More significant funding was made available in March 2021 under the American Rescue Plan Act (ARPA), as shown in Figure 3.

**Figure 3**  
**COVID Relief Legislation, Broadband Programs by Available Federal Funding and Awards to New York State**  
 (dollars in millions)

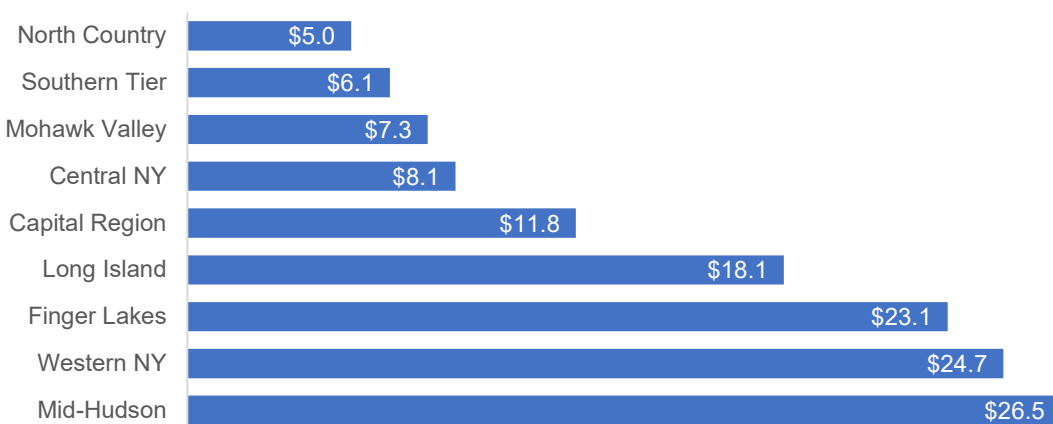
Program	Total Federal Funding Available	Awarded to New York State
Broadband Infrastructure Program	288	-
Connecting Minority Communities Pilot Program	268	5
<b>Total from Consolidated Appropriations Act of 2021</b>	<b>556</b>	<b>5</b>
Emergency Connectivity Fund	7,171	784
Capital Projects Fund	10,000	100
<b>Total from American Rescue Plan Act</b>	<b>17,171</b>	<b>884</b>

Notes: Available funding under Capital Projects Fund is for projects that include but are not limited to broadband; to date, \$345 million has been awarded to New York State, of which \$100 million has been allocated for broadband purposes. Excludes the Emergency Broadband Benefit Program.

Sources: FCC; U.S. Departments of Treasury and Commerce

Authorized under ARPA, the Emergency Connectivity Fund (ECF) was intended to assist schools and libraries with facilitating remote learning during the pandemic. As of May 31, 2023, \$6.7 billion had been granted nationally with New York State receiving a total of \$784.2 million, second only to California nationally in total funding received.<sup>7</sup> Almost 98 percent of funding went to schools and school districts, with the remaining going to libraries and other institutions. New York City received 83.3 percent of State funding, or \$653.5 million. Figure 4 shows allocations of the remaining funding by region.

**Figure 4**  
**Emergency Connectivity Fund Awards by Region, Outside of New York City**  
**(dollars in millions)**



Note: As of May 31, 2022.  
Sources: FCC; OSC analysis

ARPA included a \$10 billion Capital Projects Fund intended to fund high-quality infrastructure projects, including broadband.<sup>8</sup> New York was allocated \$345.5 million, \$100 million of which will be for the Affordable Housing Connectivity (AHC) Program to fund broadband infrastructure within low-income housing units and enable eligible service providers to provide these units with affordable at-home internet service.<sup>9</sup> The program is also designed to provide internet service with speeds of 100/10 Mbps upon project completion.

ARPA also provided states with State and Local Fiscal Recovery Funds with guidelines that allowed states wide discretion in the use of funds. Expanding access to broadband was identified as a permissible use; however, based on information provided by the Division of the Budget, none of the State's \$12.7 billion in funding has been disbursed for broadband-related programs or projects.<sup>10</sup>

### **Federal Infrastructure Investments**

As part of the Bipartisan Infrastructure Act/Infrastructure, Investment, and Jobs Act (IIJA) of 2021, over \$46 billion was authorized for broadband programs, with the largest amount being the \$42.45 billion Broadband Equity, Access and Deployment Program (BEAD) intended to spur broadband deployment by prioritizing unserved and then underserved locations; and then prioritizing Eligible Community Anchor Institutions – public locations like schools and libraries that allow for greater use of broadband service by vulnerable populations. Finally, states are also encouraged to develop non-infrastructure programs that address affordability, equity, and digital skills training needs.<sup>11</sup>

**Figure 5**  
**IIJA Broadband Programs by Total Federal Funding & Amount Allocated to New York**  
**(dollars in millions)**

<b>Program</b>	<b>Total Federal Funding</b>	<b>Allocated to New York State</b>
Broadband, Equity, Access, and Deployment Program (BEAD)	42,450	664.8
Digital Equity Act Program	2,750	60
Middle Mile Infrastructure Program	1,000	-
<b>Total</b>	<b>46,200</b>	<b>724.8</b>

Note: Excludes Affordable Connectivity Program

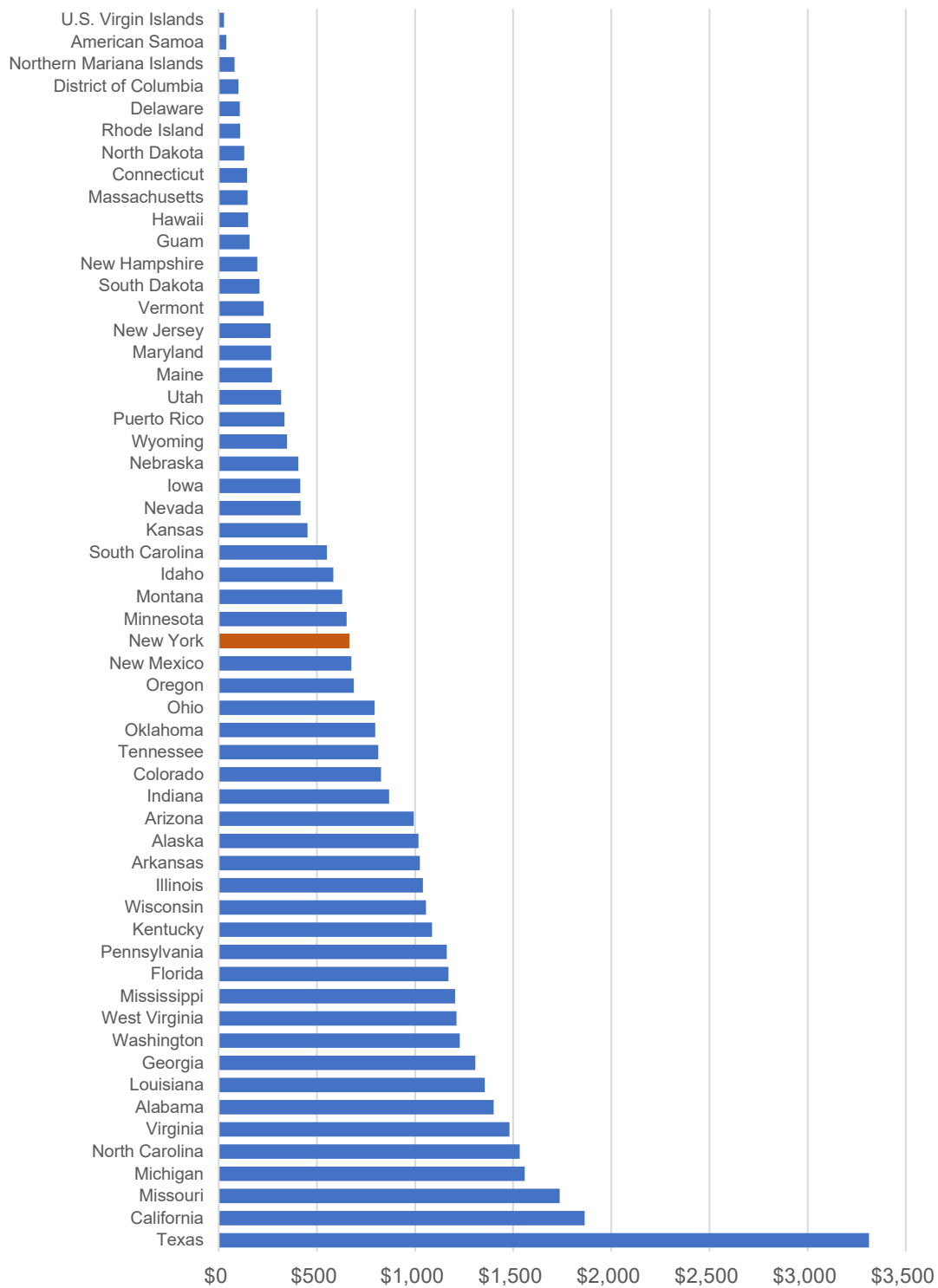
Sources: FCC; U.S. Departments of Treasury and Commerce

Awards made under the BEAD program relied heavily on the FCC’s new mapping efforts, which indicated 140,000 unserved locations and nearly 38,000 underserved locations in New York.<sup>12</sup> New York will receive \$664.8 million in funding, 29<sup>th</sup> among states and territories.<sup>13</sup> The highest awards went to the most populous states of Texas and California; many other states receiving high awards included states that significantly lag behind the U.S. average in broadband deployment.<sup>14</sup> The BEAD allocations took into account the high cost of providing broadband in unserved areas including factors such as low population density, remoteness, and geography or terrain.

States receiving BEAD funding will be required to submit a five-year action plan that is intended to serve as a comprehensive needs assessment and to outline key strategies, state and federal resources available, potential barriers to successful implementation, and a stakeholder engagement process, among other things. This plan is due in September 2023.

Following development of the five-year plan, states must submit an Initial Proposal, due in December 2023, to fully detail planned uses of funding, project timelines, and oversight and accountability mechanisms.<sup>15</sup> Once this proposal is approved, the State will receive 20 percent of its BEAD funding. A final proposal is due one year after the initial proposal is approved; once approved, the remaining funds will be provided. The National Telecommunications and Information Administration will also conduct ongoing monitoring to ensure progress is made in state plans and compliance with reporting requirements is achieved.<sup>16</sup>

**Figure 6**  
**BEAD Awards by State**  
**(dollars in millions)**



Source: National Telecommunications and Information Administration

## Conclusion

The Office of the State Comptroller's 2021 report acknowledged the progress New York has made in making high-speed internet available to more people, particularly in rural communities. However, many areas lack the infrastructure to support high-speed broadband that facilitates access to work, school, telemedicine, shopping and other modern activities.

In 2022, the State launched the ConnectALL Office, which will spearhead creation of the State's five-year action plan and initial proposal. ConnectALL received a \$5 million advance to begin development of the five-year action plan, as well as an additional \$2.2 million advance for the creation of a digital equity plan. To date, ConnectALL has engaged in stakeholder outreach across the State and launched an internet access survey.

Recent developments in federal policy and newly available federal funds provide an important opportunity for New York to craft an ambitious and detailed broadband strategy to accelerate universal availability of the highest-speed connections, including in rural areas. As the State builds its five-year action plan and proposal, focus should be on ensuring our infrastructure investments are forward looking, supporting the highest usage speeds and deploying new technologies whenever they are cost-effective.

In addition, the State's proposal should be actionable and accountable. In 2021, the Office of the State Comptroller recommended setting concrete goals for each objective; identifying obstacles and barriers faced to date; identifying available federal, State, and local funding sources; and establishing interim metrics and a public reporting schedule to provide accountability for progress. How New York deploys federal funding will set a critical path for its digital future.



# Endnotes

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- <sup>1</sup> The Federal Communications Commission considers an area “served” by broadband if an internet service provider reports that it has made broadband available to a particular census block, even if service is not necessarily available to every location or dwelling on that block. See: Federal Communications Commission (FCC), *Fourteenth Broadband Deployment Report*, January 2021, pg. 13.
- <sup>2</sup> As reported in Office of the State Comptroller (OSC), *Availability, Access and Affordability: Understanding Broadband Challenges in New York State*, September 2021, using June 2020 data from the FCC accessed in June 2021.
- <sup>3</sup> The State defines “underserved” locations as having less than two providers or providers that offer at least 25 Mbps but less than 100 Mbps and “unserved” locations as having no services offering at least 25 Mbps.
- <sup>4</sup> Governor Kathy Hochul, “Governor Hochul Issues New York State Challenge to FCC Broadband Data,” October 31, 2022, available at <https://www.governor.ny.gov/news/governor-hochul-issues-new-york-state-challenge-fcc-broadband-data>.
- <sup>5</sup> Totals exclude the Emergency Broadband Benefit Program and the Affordable Connectivity Program authorized to subsidize broadband internet subscriptions for low-income families. For more information on these programs, see Office of the State Comptroller, *Making Strides on Broadband Affordability*, May 2023, available at <https://www.osc.state.ny.us/files/reports/pdf/making-strides-on-broadband-affordability.pdf>.
- <sup>6</sup> The Consolidated Appropriations Act of 2021 included the \$288 million Broadband Infrastructure Program (BIP) to fund rural infrastructure projects and the \$268 million Connecting Minority Communities Pilot Program (CMC) to expand broadband services at Historically Black, Tribal, or Minority-Serving colleges and institutions. New York was not one of the 14 states that received BIP awards. New York received two CMC awards totaling \$4.6 million for Mercy College in Dobbs Ferry and the Dominican University New York in Orangeburg. See: U.S. Department of Commerce, National Telecommunications Information Administration, Press Release, August 24, 2021, available at <https://broadbandusa.ntia.doc.gov/news/latest-news/ntias-broadband-infrastructure-program-receives-over-230-applications-more-25>; and Connecting Minority Communities Program, Awardee Map accessed June 7, 2023, available at <https://broadbandusa.maps.arcgis.com/apps/dashboards/d5256f13c0494696942981d66f283b85>.
- <sup>7</sup> FCC, Emergency Connectivity Fund, Current Funding Commitments, accessed on May 31, 2023, available at <https://www.fcc.gov/sites/default/files/ecf-current-funding-commitments.xlsx>
- <sup>8</sup> The program is not competitive, but to access the funds each state was required to submit a grant plan. The plan was approved on March 29, 2023 by the U.S. Department of Treasury.
- <sup>9</sup> The \$345 million was appropriated to Empire State Development in the SFY 2022-23 Enacted State Budget.
- <sup>10</sup> See: Division of the Budget, 2022 & 2021 Annual Recovery Plan Performance Reports; 2022, Q1 through Q4 Quarterly Expense Reports; 2021, Q2 through Q4 Quarterly Expenses Reports, available at <https://openbudget.ny.gov/covid-funding/slfrf.html>.
- <sup>11</sup> National Telecommunications and Information Administration (NTIA), BEAD Webinar Presentation Deck, available at <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD-101-Webinar-Presentation-Deck-05-17.pdf>.
- <sup>12</sup> Governor Kathy Hochul, “Governor Hochul, Senator Schumer, Senator Gillibrand and New York Congressional Delegation Announce New York Will Receive More Than \$664 Million in Federal Broadband Equity, Access, and Deployment Funds,” June 26, 2023, available at .
- <sup>13</sup> NTIA, Biden-Harris Administration Announces State Allocations for \$42.45 Billion High-Speed Internet Grant Program as Part of Investing in America Agenda, June 26, 2023, available at <https://internetforall.gov/news-media/biden-harris-administration-announces-state-allocations-4245-billion-high-speed-internet>.
- <sup>14</sup> States with the highest and lowest percentages of broadband availability in 2019 were identified in the Figure 2 of OSC 2021 report, available at <https://www.osc.state.ny.us/reports/availability-access-and-affordability-understanding-broadband-challenges-new-york-state>.
- <sup>15</sup> Pew Charitable Trusts, “What States Need to Know about BEAD Funding for High-Speed Internet Expansion,” January 9, 2023, at <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2023/01/what-states-need-to-know-about-federal-bead-funding-for-high-speed-internet-expansion>
- <sup>16</sup> NTIA, BEAD: Frequently Asked Questions, available at <https://broadbandusa.ntia.gov/sites/default/files/2022-06/BEAD-FAQs.pdf>.

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