



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

April 7, 2021

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 278: Relating to the Allocation of Federal Funds for Broadband Expansion

Senate Bill (SB) 278 was introduced on April 5, 2021, and referred to the Joint Committee on Finance. (The companion bill to SB 278 is Assembly Bill 239.)

CURRENT LAW

The Public Service Commission (PSC) administers the broadband expansion grant program to increase internet access and quality in Wisconsin. For-profit and not-for-profit organizations, telecommunications utilities, and municipalities partnering with those organizations and utilities are eligible to apply for grants. Priority is given to projects that include matching funds, involve public-private partnerships, affect areas with no broadband service providers, are scalable, promote economic development, will not delay broadband deployment to neighboring areas, or affect a large geographic area or a large number of underserved individuals or communities.

Broadband expansion grants were first awarded during the 2013-14 fiscal year. Through the 2020-21 fiscal year, the Commission has awarded grants totaling \$78 million to 279 projects, including \$28.4 million for 58 projects announced on March 18, 2021. 2021 Assembly Bill 68/Senate Bill 111, the biennial budget bill, would provide \$74,793,100 GPR and \$2,000,000 SEG in 2021-22, and \$72,941,000 GPR and \$2,000,000 SEG in 2022-23 for broadband expansion grants. During the 2019-21 biennium, the program is provided approximately \$55.8 million for broadband expansion grants.

SUMMARY OF BILL

Senate Bill 278 would require the Governor to allocate \$500,000,000 of the funds accepted under the American Rescue Plan Act of 2021 (ARPA) for broadband expansion grants. The Governor would be required to allocate \$125,000,000 each calendar year from 2021 through 2024. Further, the bill would require PSC to report to the Joint Committee on Finance annually by

September 1 on funding allocated under the bill in the previous fiscal year. The bill would require the report to include: (a) the criteria used to evaluate projects funded under the bill; (b) recipients of grants under the bill; and (c) the Commission's evaluation of each proposal applying for funding under the bill.

FEDERAL STATE FISCAL RECOVERY FUND (SFRF)

Wisconsin is expected to receive up to \$3.2 billion of the \$219.8 billion provided under ARPA to the state fiscal recovery fund (SFRF). Although final federal guidance on the allowable use of these funds has not yet been issued, the Act provides that funding may be used "to make necessary investments in water, sewer, or broadband infrastructure."

Prepared by: Rory Tikalsky