

BROADBAND EQUITY, ACCESS, AND DEPLOYMENT PROGRAM

Final Proposal – Budget Narrative

Remaining Allocation: \$102,753,271.66.

The Delaware Department of Technology & Information (DTI) via the Delaware Broadband Office (DBO) is submitting this Broadband Equity, Access, and Deployment (BEAD) Program Final Proposal budget narrative to support our pursuit of increasing equitable and universal broadband access and adoption in our service area. Our efforts will be conducted in collaboration with community stakeholders and are informed by our prior/existing efforts detailed in the BEAD Five-Year Action Plan and State Digital Equity Plan.

Our program includes the following eligible activities:

- Funds to be used, directly or indirectly, for the administration of the grant (and thus subject to the statutory two percent cap);
- Funds to be used for administrative purposes, other than the administration of the grant;
- Eligible uses of funding in connection with last-mile broadband deployment projects, subject to the limitations related to unserved locations and high poverty areas for deployment prior to approval of the Final Proposal as outlined in the NOFO, Section IV.B.8;
- Eligible non-deployment uses, subject to the requirement of demonstrating a plan to ensure deployment to all unserved and underserved areas as outlined in the NOFO, Section IV.B.8; and

1. Funds to be used, directly or indirectly, for the administration of the grant

The State Broadband Office intends to use funds as part of the Initial Proposal Funding Request for the administration of the grant; specifically, to operationalize and increase efficiency of the DBO. The below costs do not overlap with those funds requested during the Initial Planning stage; however, they may represent a continuation of those costs vital to the administration of our State Broadband Office. These funds include:

- **Executive Director:** Funds will be utilized to maintain the employment of the DBO's Executive Director for the remaining period of the BEAD program (until 2032). The Executive Director, who has been hired and is currently paid from BEAD planning funds, will be responsible for oversight of the BEAD program, managing BEAD-program-related staff and contractors, conducting ongoing stakeholder outreach relating to BEAD, and strategic use of any non-deployment BEAD funds remaining after sufficient funds are identified to bring service to all unserved and underserved communities.
- **Digital Equity Manager:** Funds will be utilized to maintain the employment of the DBO's Digital Equity Manager for the remaining period of the BEAD program (until 2032). The Digital Equity Manager, who has been hired and is currently paid from Digital Equity State Planning Grant (DESPG) funds, and who will be paid from BEAD planning funds once the DESPG funds expire, will assist the Executive Director in managing Digital Equity considerations in BEAD implementation and implement any non-deployment BEAD funds remaining after sufficient funds are identified to bring service to all unserved and underserved communities.
- **Grant Manager:** Funds will be utilized to maintain the employment of the DBO's Grant Manager for the remaining period of the BEAD program (until 2032). The Grant Manager, who has been hired and is currently paid from BEAD planning funds, will be responsible for completing BEAD grant reports; archiving grant-related documents and

documentation; preparing for, and supporting, any activities related to grant monitoring, audit or compliance requests; compiling, reconciling, and managing the submission of subgrantee reports and documents.

- **Non-Deployment Funds Program Manager:** Funds will be utilized to maintain the employment of the DBO's Non-Deployment Funds Manager for the remaining period of the BEAD program (until 2032) (NDFM). The NDFM will manage all non-deployment projects, including running competitive grant processes, executing MOUs for funding where no competitive process is required, and implementation/project management during implementation.
- **Other:** Funds will be used for legal fees, billed by the Delaware Department of Justice Deputy Attorney General assigned to the Delaware Broadband Office. So far, legal fees have not been required, but we felt it prudent to include a line item in a worst-case-scenario. Our staff use cell phones to make phone calls, check emails, and engage in interoffice communications via Teams. Accordingly, we have a budget line for cell phones for the amount those phones will be used to work on BEAD programs. Delaware requires that if a federal grant program is audited by a non-state entity, that the federal grant pay an audit fee equal to 0.3% of the total grant award. For more information about this requirement, see <https://budget.delaware.gov/accounting-manual> (Section 10.3.1.5) and <https://budget.delaware.gov/clearinghouse/documents/training-2023.pdf> (page 15).

For all employees, fringe benefits include the following: Worker's Compensation, F.I.C.A., Unemployment Insurance, Medicare, State Employee Pension, and Health Insurance. All items except health insurance is calculated as a percentage of salary dollars. As to health insurance, all State employees have the option to select from a variety of insurance companies and from multiple insurance plans. Therefore, health insurance costs are unique to each employee's household and is not a rate-based calculation.

2. Funds to be used for administrative purposes, other than the administration of the grant.

DTI does not anticipate any indirect costs.

3. Eligible uses of funding in connection with last-mile broadband deployment projects.

DTI has completed its Subgrantee Selection Process and made preliminary awards to successful applicants. DTI has divided the state into eight Grant Areas, and applicants bid on each area according to the process and scoring criteria approved by NTIA in the Initial Proposal Volume 2.

The preliminary awards are:

Grant Area	Proposed Subgrantee	BEAD Outlay (cost)	Subgrantee Match
1	Verizon Delaware LLC	\$810,000.00	\$456,589.00
2	Verizon Delaware LLC	\$2,707,228.00	\$902,410.00
3	Verizon Delaware LLC	\$1,904,249.00	\$6,247,440.00
4	Verizon Delaware LLC	\$4,002,896.00	\$19,091,278.00
5	Verizon Delaware LLC	\$2,586,703.00	\$14,093,056.00

6	Verizon Delaware LLC	\$982,742.00	\$7,480,051.00
7	Verizon Delaware LLC	\$4,449,806.00	\$18,609,058.00
8	Comcast Cable Communications Management LLC	\$0.00	\$22,370,469.00

Each applicant submitted a detailed budget breakdown listing costs for each grant area. All costs will be compliant with the BEAD NOFO.

5. Eligible non-deployment uses, subject to the requirement of a plan to ensure deployment sufficient to serve all unserved and underserved areas as outlined in the NOFO, Section IV.B.8

As described in the Final Proposal, DTI plans to use funding “leftover” after last-mile deployment funds are awarded for eligible non-deployment uses. We anticipate there will be \$76,357,861.66 in funding for non-deployment uses. We are proposing the below initiatives for this funding, subject to NTIA approval and described in detail in the Final Proposal.

- Delaware Statement Internet Resiliency Program (combination of competitive grants and a direct award to a public university, the University of Delaware)
- Wireless Resiliency Program (competitive grant program)
- Public School Cybersecurity and Resiliency Program (DTI administered program)
- Community Connection Hubs (competitive grant program)
- Workforce Investment and Digital Upskilling Program (competitive grant program)

6. Funds to be used upon approval of the Final Proposal

DTI has contracted with KSI to provide Project Management support to BEAD projects, both during the planning phase and the Last Mile/Subrecipient projects. DTI has two contracted Project Managers working on this project. KSI is being paid from BEAD Planning Funds and we plan to continue to pay for these Project Managers during Last Mile/Subrecipient projects.