

San Antonio and Greater Bexar County Community Digital Equity Plan and Roadmap

Implementation Roadmap: Secure Funding

August 2021

Disclaimer:

The information found in this portal is intended for public use. It reflects work produced and provided by the SA Digital Connects team and community members starting in January 2021 to the present.

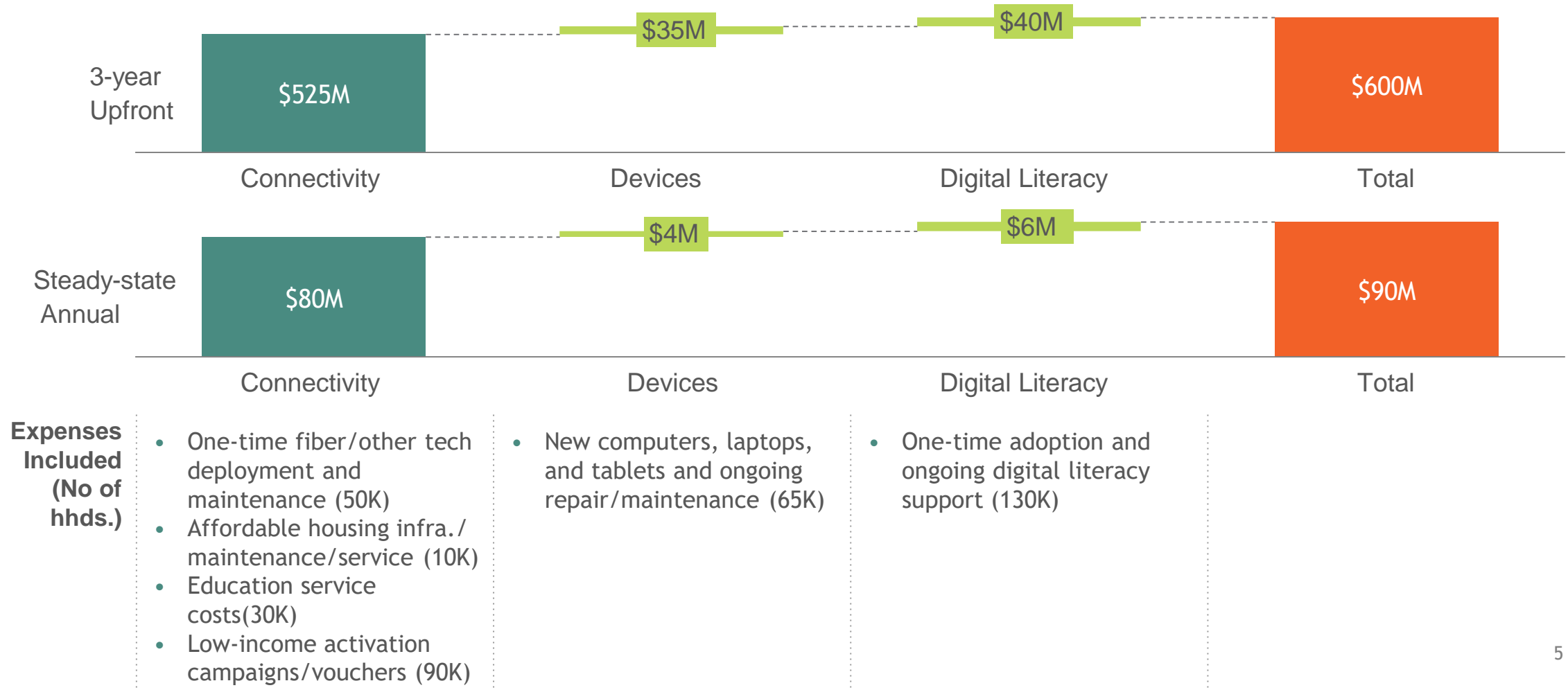
Some information will reflect the moment in time when the work was done. Data, funding, maps and assumptions may fluctuate in the everchanging digital ecosystem.

Implementation Roadmap

Secure Funding

An estimated investment of \$600M over the next 3 years and \$90M annually thereafter is needed to close the digital divide

One-time (through Dec '24) and ongoing funding required to fully close the SA/Greater Bexar County Digital Divide



Preliminary, to be refined

Rationale for 3-year upfront (through Dec '24) and steady state annual costs

| Priorities | 3-Year Upfront | Steady State Annual | Initiative & associated costs | Household Reach |
|------------------|----------------|---------------------|--|-----------------|
| Access | ~\$525M | ~\$80M | | |
| | ~\$400M | ~\$40M | Infrastructure Deployment: <ul style="list-style-type: none"> Deploy middle mile fiber and run a reverse auction to provide residential service of 100/100 speeds (\$400M) Support maintenance of fiber infrastructure (\$40M) | 210K hhds. |
| | ~\$15M | ~\$4M | Affordable housing connectivity¹: <ul style="list-style-type: none"> Invest in connectivity through SAHA and affordable housing entities by deploying infrastructure (\$5M) and covering service (\$10M) Maintain infrastructure (\$1M) and continue coverage of service costs (\$3M) | 10K hhds. |
| | ~\$25M | ~\$9M | Education Sponsored¹: <ul style="list-style-type: none"> Conduct connectivity purchasing, largely through ECF in the first year (\$25M), and then cover ongoing service costs (\$9M) Engage in device purchasing through ECF and 1:1 district programs, as well as ongoing repair and maintenance costs through service contracts Stand up support desks and adoption resources through school IT departments | 30K hhds. |
| | ~\$80M | ~\$27M | Low-Income Internet: <ul style="list-style-type: none"> Drive activation campaigns for existing programs like EBB and Lifeline (\$40M) Manage a SA / Bexar County specific voucher program (\$40M) Develop and expand sponsored service programs (\$27M) | 90K hhds. |
| Devices | ~\$30M | ~\$4M | Device Support²: <i>(incl. education / affordable housing)</i> <ul style="list-style-type: none"> Create grants for philanthropies to refurbish and distribute devices (\$15M) Drive device donation campaigns through private sector / philanthropy (\$15M) Cover repair and maintenance of devices (\$4M) | 65K hhds. |
| Digital Literacy | ~\$45M | ~\$6M | Adoption Support²: <i>(incl. education / affordable housing)</i> <ul style="list-style-type: none"> Drive adoption campaigns to enroll households in available programs (\$25M) Set up digital literacy programs through trusted community orgs (\$20M) Continue to support and expand digital literacy and skilling programs (\$6M) | 130K hhds. |
| Total | ~\$600M | ~\$90M | | |

Includes cross-cutting costs of ~\$5M 3-year upfront and ~\$2M steady state annual for a 10-15 person team and data & analytics costs

1. Non-connectivity costs sit in the respective devices and digital literacy rows. 2. Device and adoption support also cover education and affordable housing populations (e.g., through 1:1 purchasing / service contracts and citywide activation campaigns / Digital Navigators programs)

Preliminary, to be refined

Backup | Potential 3-year upfront & steady state annual funding sources (I/II)

Bold = Proposed funding source to leverage

Illustrative

| Initiatives | Cost | Funding Sources (in order of priority) |
|---------------------------------|---------------------|---|
| Infrastructure deployment | Upfront: \$400M | <ul style="list-style-type: none"> Municipal bond: Utilize a bond to cover the high upfront costs of infrastructure State recovery: Advocate for state matching programs for infrastructure City / County recovery: Incentivize fiber buildout through reverse auctions |
| | Steady State: \$40M | <ul style="list-style-type: none"> ISPs: Cover maintenance costs in return for public capital investment State budget: Apply for grants through the state broadband office to cover maintenance City / County capital budget: Pay for required maintenance, potentially through utility |
| Affordable housing connectivity | Upfront: \$15M | <ul style="list-style-type: none"> State recovery: Advocate for provision of internet in affordable housing City / County recovery: Fund connectivity infrastructure and service costs Philanthropy: Continue to support the standup of affordable housing connectivity |
| | Steady State: \$4M | <ul style="list-style-type: none"> SAHA Budget: Cover connectivity costs through annual budget (e.g., grants) City / County affordable housing budget: Cover infra. maintenance and service costs |
| Education sponsored | Upfront: \$25M | <ul style="list-style-type: none"> Federal programs: Leverage ECF to provide students with devices / connectivity ESSER / GEER: Use sector-specific funds to connect students |
| | Steady State: \$9M | <ul style="list-style-type: none"> Federal government: Advocate for an expanded E-Rate program School district budgets: Cover service costs / device maintenance for students |
| Low-income internet | Upfront: \$80M | <ul style="list-style-type: none"> Federal programs: Use EBB to connect low-income residents to highspeed internet City / County recovery: Standup voucher program for when EBB ends |
| | Steady State: \$27M | <ul style="list-style-type: none"> ISPs: Negotiate affordable pricing, potentially in return for capital investment Federal government: Advocate for an expanded Lifeline program City / County budget: Cover cost to continue voucher program |

Access

Preliminary, to be refined

Backup | Potential 3-year upfront & steady state annual funding sources (II/II)

Bold = Proposed funding source to leverage

Illustrative

| | Initiatives | Cost | Funding Sources (in order of priority) |
|------------------|------------------|---------------------|---|
| Devices | Device support | Upfront: \$30M | <ul style="list-style-type: none"> City / County recovery: Create grants for philanthropies to purchase / distribute devices Philanthropy: Collect and refurbish donated devices |
| | | Steady State: \$4M | <ul style="list-style-type: none"> ISPs: Negotiate service contracts to cover ongoing cost of repairs and maintenance City / County budget: Pay for required devices maintenance |
| Digital Literacy | Adoption support | Upfront: \$45M | <ul style="list-style-type: none"> City / County budget: Cover upfront adoption campaign costs State recovery: Stand up adoption and digital literacy programs City / County recovery: Fund City / County wide adoption campaigns Philanthropy: Support one-off awareness campaigns |
| | | Steady State: \$6M | <ul style="list-style-type: none"> State budget: Apply for grants to cover ongoing digital literacy program costs City / County budget: Cover ongoing digital literacy programs |
| Cross-Cutting | Data & analytics | Upfront: \$1M | <ul style="list-style-type: none"> NTIA Connecting Minority Community: Apply for grant to fund data & analytics costs Texas A&M: Use university funds to build data capability City / County recovery: Cover data & analytics costs |
| | | Steady State: >\$1M | <ul style="list-style-type: none"> City / County budget: Cover data & analytics costs |
| Cross-Cutting | Operating model | Upfront: \$4M | <ul style="list-style-type: none"> Philanthropy: Cover employee salaries for first three years City / County recovery: Cover employee salaries for first three years |
| | | Steady State: \$1M | <ul style="list-style-type: none"> City / County budget: Cover ongoing employee salary |

Preliminary, to be refined

3-year upfront funding asks across major available buckets

Breakdown is illustrative - infra. could be funded through a mix of recovery funds / city budget or entirely through a bond, depending on the flexibility and likelihood of obtaining respective funding buckets

Illustrative

☆ One-time funding opportunity

| Funding Source | Ask (Upfront, to Dec '24) | Estimated funding allocation | Initiatives covered | Path to secure status |
|---------------------------------|----------------------------|------------------------------|--|---|
| ☆ Federal programs (ARPA) | \$65M | \$50-100M | <ul style="list-style-type: none"> Education Sponsored: \$25M Low-income Internet¹: \$40M | <ul style="list-style-type: none"> ➤ Conduct activation campaigns to get residents signed programs (e.g., EBB, ECF) |
| ☆ State Recovery (ARPA) | \$125M | \$50-150M | <ul style="list-style-type: none"> Infrastructure Deployment: \$100M Affordable Housing: \$5M Adoption Support: \$20M | <ul style="list-style-type: none"> ➤ Coordinate with Bexar County state legislative delegation to advocate for broadband priorities |
| ☆ City / County recovery (ARPA) | \$65M | \$50-100M | <ul style="list-style-type: none"> Affordable Housing: \$10M Low-income Internet²: \$40M Device Support: \$15M | <ul style="list-style-type: none"> ➤ Pursue endorsements and necessary City / County conversations to secure funds in the second tranche of ARPA funds |
| State broadband office | \$0M | \$0M | <ul style="list-style-type: none"> N/A | |
| City operating budget | \$25M | TBD | <ul style="list-style-type: none"> Adoption Support: \$25M | <ul style="list-style-type: none"> ➤ Advocate for incorporation of adoption campaigns into the city's general fund |
| ☆ Municipal bond | \$300M | TBD | <ul style="list-style-type: none"> Infrastructure Deployment: \$300M | <ul style="list-style-type: none"> ➤ Coordinate actions to raise importance of bond to Council and the voting public; identify sponsors for matching |
| Philanthropy / NGOs | \$20M | TBD | <ul style="list-style-type: none"> Device Support: \$15M Operating Model: \$4M | <ul style="list-style-type: none"> ➤ Continue 1:1 outreach with specific asks for investment, highlighting the social ROI |
| Private Sector / Foundations | \$0M | TBD | <ul style="list-style-type: none"> N/A | |
| Total | \$600M | \$150-350M+ | | |

Potential to investigate additional funding sources and grants (e.g., NTIA) to cover initiative costs

1. Assumes EBB will last 18 months given current usage rates. 2. Extension of EBB to potentially reduce the funding required to cover low-income internet



Thank You