



## Certain Broadband Expansion Grant Programs

The Public Service Commission of Wisconsin (PSC) administers programs that award grants to telecommunication providers that make broadband service available to businesses and residences. In October 2020, the Department of Administration (DOA) allocated \$6.2 million

in Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to PSC to establish a broadband grant program to address the need for distance learning and telework stemming from the public health emergency. In July 2021, DOA allocated \$103.4 million in American

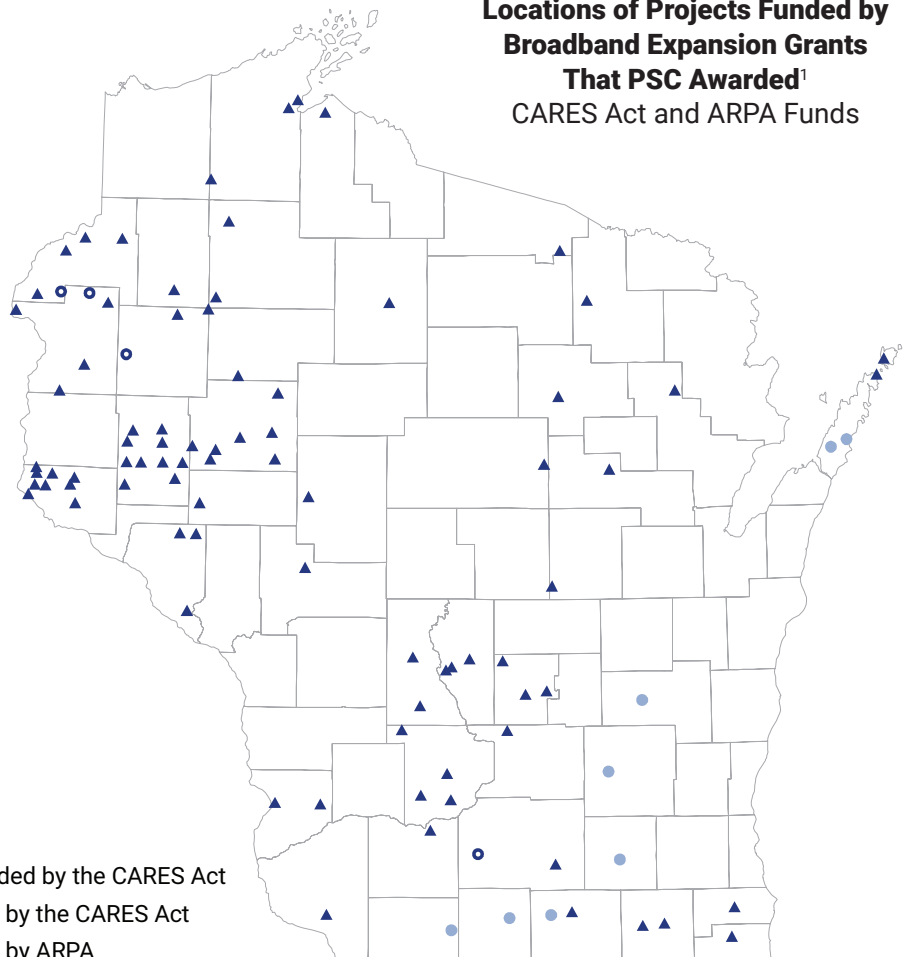
Rescue Plan Act (ARPA) funds to PSC to administer a grant program to build broadband infrastructure in unserved and underserved areas of the state. We conducted a limited-scope review of how PSC administered these supplemental federal funds.

### Through June 2022, PSC awarded \$105.3 million in broadband grants and reimbursed telecommunication providers \$7.7 million

PSC awarded 95 grants, including 12 grants with the CARES Act funds and 83 grants with the ARPA funds. All CARES Act-funded projects were completed, but all ARPA-funded projects were ongoing at the time of our review.

Telecommunication providers reported that the CARES Act-funded projects made new or improved broadband service available to 20,535 businesses and residences. Providers indicated that the ARPA-funded projects are anticipated to reach up to approximately 29,870 businesses and residences.

**Locations of Projects Funded by Broadband Expansion Grants That PSC Awarded<sup>1</sup> CARES Act and ARPA Funds**



- Fixed wireless projects funded by the CARES Act
- Fiber-optic projects funded by the CARES Act
- ▲ Fiber-optic projects funded by ARPA

<sup>1</sup> The map indicates the locations of CARES Act-funded projects. The map also indicates the anticipated locations of ARPA-funded projects, which were ongoing at the time of our review.

## **We found concerns with PSC’s program administration**

PSC did not establish written program policies for administering the CARES Act funds. In addition, PSC did not establish comprehensive written program policies for administering the ARPA funds.

For the CARES Act-funded program, PSC required telecommunication providers to request reimbursement for project costs and submit supporting documents, such as invoices and receipts. Almost all of the 384 supporting documents that PSC reviewed did not indicate the amounts providers had actually paid to construct the projects. PSC did not document its efforts to verify that providers

had constructed the broadband infrastructure for which the providers were reimbursed.

For the ARPA-funded program, the guidance of PSC’s commissioners to their staff for reviewing the grant applications did not consistently adhere to the application instructions. For example, the commissioners instructed their staff not to consider 23 grant applications for “middle-mile” projects, which require additional infrastructure to connect businesses and residences to broadband service. The instructions did not indicate that such projects would not be considered.

PSC should improve its administration of broadband expansion grant programs, including by establishing comprehensive written program policies and improving how it reviews and awards grants, reimburses telecommunication providers, and oversees the programs. Taking these actions will help PSC improve its administration of the ongoing program supported by ARPA funds, as well as the ongoing State Broadband Expansion Grant Program and any additional funds PSC may receive through the federal Infrastructure Investment and Jobs Act.

## **We make eight recommendations to PSC to improve its administration of broadband expansion grant programs**

Please see the complete list of our recommendations on our website.